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U.S. Lowers Estimates of Yield From Big Soviet Nuclear Tests

By Michael R. Gordon
New York Times Service

WASHINGTON — The Central Intelligence Agency has changed its procedures for estimating the yield of large Soviet nuclear tests because it has decided its previous estimates were too high, according to administration officials.

The officials said Tuesday that the decision to use the new method was made in January by William J. Casey, director of the agency, despite objections from some Defense Department officials.

The CIA decision has raised questions about past administration assertions that the Soviet Union probably violated the Threshold Test Ban Treaty of 1974, which limits underground tests to no more than 150 kilotons, equivalent to 150,000 tons of TNT.

Before the CIA decision was made, President Ronald Reagan ordered a report on how the change would affect administration concerns about Soviet violations, the administration officials said. That report has not yet been completed.

Mr. Casey formally approved the change on Jan. 21, *officials* said. Experts familiar with the change said it would lower estimates of the yield of Soviet tests by about 20 percent.

Richard N. Perle, assistant secretary of defense for international security policy, reportedly opposed adopting the recommendations and contended that the issue needed more study. Mr. Perle declined to discuss the issue Tuesday.

Edward P. Djerejian, a White House spokesman, said the White House had no comment at this time on the decision and its implications.

Administration experts, who asked not to be identified, were divided about whether the change should lead the administration to drop its allegations against the Soviet Union.

The accusations of Soviet arms control violations has become a central issue in U.S.-Soviet relations. No significant progress has been made in this area since the November summit meeting between Mr. Reagan and Mikhail S. Gorbachev, the Soviet leader.

The Reagan administration is deliberating over what actions to take in response to reported arms control violations and over whether to modify its commitment not to undercut the 1979 Strategic Arms Limitations Treaty.

The administration has said that many of the Soviet tests had "likely" violated the threshold treaty. The Soviet Union has denied violating the treaty.

But administration and nongovernmental experts have long questioned the accuracy of the intelligence estimates on which those charges were based.

The debate has centered on the seismological procedures for assessing the yield of nuclear tests. The main Soviet test site at Semipalatinsk in Central Asia is older and more geologically stable than the site in Nevada where the United States conducts its tests.

Scientists say Soviet explosions produce a larger sound wave through the earth than American tests of the same size.

While government intelligence estimates of Soviet tests have long been adjusted to take this into account, experts have questioned whether the adjustment factor was large enough.

Officials said the question of changing the estimating procedure has been under review and study for years.

Last Oct. 18, a panel of scientists selected by the Defense Advanced Research Projects Agency prepared a classified report that concluded that government's method for estimating the yield of Soviet explosions was based on faulty assumptions.

The eight-member panel recommended a change in procedures that would lower the estimates.

The panel's report was submitted in October to the Joint Atomic Energy Intelligence Committee, which issues reports on the size of foreign nuclear explosions. The committee is made up of members from the military services and intelligence agencies.

Adding support to the scientists' recommendation was a separate study, also completed in October, that was overseen by the Air Force Technical Applications Center, which operates a system of seismic stations to monitor Soviet tests. This study agreed with the finding of the military research agency report.

On Dec. 17, the Joint Atomic Energy Intelligence Committee recommended that the CIA adopt the advice in the report commissioned by the research agency. Officials said the Defense Intelligence Agency disagreed but was overruled.

The new CIA procedure will be used to estimate the size of explosions in the Shagan River area of Semipalatinsk, where the Soviet Union conducts its largest nuclear tests. Officials said they expected the new estimating procedure to be applied to the next Soviet test in this area.

Reuters

A policeman guards the TWA airliner at Athens. The bomb left a hole in the 727.

Bomb Kills 3 On TWA Plane; Jet Lands Safely

The Associated Press

ATHENS — A bomb explosion aboard a Trans World Airlines Boeing 727 blasted three passengers out of the plane as it flew over southern Greece on Wednesday, government and airport security officials said.

The plane later landed safely in Athens.

"The blast was caused by an explosive device in a piece of luggage aboard the plane," Yiannis Kapsis, Greece's undersecretary for foreign affairs, said in a statement.

A fourth person, a child, was unaccounted for and seven passengers were injured, including two Americans, an airport security official said.

Flight 840, bound from Rome to Cairo via Athens with 121 people aboard, landed safely at Athens, the police said. There were 114 passengers and seven crew members aboard.

An airport police spokesman said that the explosion blew a hole in the plane's underside as it flew at an altitude of 11,000 feet (about 3,350 meters) near the southern Greek town of Corinth.

He said the bodies of a man, a woman and a child were found on an unused Greek Air Force landing strip outside Argos, 30 miles (about 50 kilometers) south of Corinth and about 65 miles southwest of Athens.

"They apparently had been sucked out of the plane by the blast," the police spokesman said.

Steven Heckscher, a TWA spokesman, said in London, "The explosion occurred as the plane was making its approach to Athens airport, and it landed safely."

Mr. Heckscher said that the blast "seems to have occurred" about "a third of the way down the aircraft from the front."

He added: "It appears that there was considerable damage done to the aircraft. There were some windows blown out and I think a hole punched in the fuselage."

The police spokesman said the blast had ripped a hole in the plane near the right wing, and a spokeswoman for the U.S. Federal Aviation Administration in Washington said that seat 10F had been blown from the plane.

The Athens police spokesman said: "The plane stayed up in the air because it was flying at a relatively low altitude, so there was little difference in pressure between the cabin and outside."

He said the explosion occurred at 2:05 P.M. as the plane was preparing to approach Athens. The airport control tower said the plane made an emergency landing at 2:30.

A Greek passenger said in a radio interview: "The passengers did not panic. A few children began screaming, but I think all the others behaved very calmly. A couple of minutes later, which seemed like an eternity, the pilot made an announcement to the effect that one of the windows had blown out, but the situation was under control."

Airport officials in Athens said they were not aware of any threats against TWA flights out of the city.

Officials at Leonardo da Vinci Airport in Rome said that all the baggage aboard the plane had been checked by X-ray detectors.

"There was nothing amiss as far as we could see," the Italian news agency ANSA quoted a security official as saying.

Terrorism, Weaker Dollar Keeping Americans Home

By Ralph Blumenthal
New York Times Service

NEW YORK — Two American tourists from Dayton, Ohio, had just gotten out of the Paris subway and were strolling up the Avenue des Champs-Elysées on the evening of March 20 when a bomb, later linked to an Arab group, exploded in a shopping gallery. It killed two passers-by and injured 28 others.

Shaken, the two women nevertheless kept their dinner plans at a nearby restaurant but watched the racing ambulances and police cars with growing apprehension.

"When we touch down in America, I'll heave a sigh of relief," said Mrs. Robert Herbrick. "We had planned on coming, so we came. But I wouldn't go a foot farther than we have."

They were not alone in their apprehension. Frightened by terrorism and the fall of the dollar, Americans are replotting their travel itineraries or staying home this year, according to reports from foreign correspondents and interviews with travelers and travel professionals in the United States.

It is difficult to measure the relative impact of terrorism against the declining dollar. But the reports make clear that terrorism is casting a long shadow over tourism this year.

Bookings to Greece, Egypt, Israel and Italy are sharply down, according to tourism officials, along with general declines elsewhere in Europe and the Mediterranean. Group travel has been particularly hard-hit, travel operators say.

"In this field Qadhafi has won his war,"

Bookings to Greece, Egypt, Israel and Italy are sharply down, according to tourism officials, along with general declines elsewhere in Europe and the Mediterranean.

said Avi Kenet, a Manhattan tour company executive whose business to Israel has fallen off by close to half this year.

The recent outbreak of fighting in the Gulf of Sidra between a U.S. Navy task force and Libyan forces of Colonel Moamer Qadhafi came just as Europeans were struggling to reassure Americans that travel was safe.

According to the European Travel Commission, a promotional office in New York City representing 23 West European countries, a record 6.4 million U.S. citizens took European trips last year, up from the 5.8 million who traveled there the year before.

The group originally had forecast up to a 10-percent increase but now, according to a spokesman, Hans Friis, "if we do the same as last year we'll be extremely happy."

At the same time, travel agents report a surge of interest in American and other destinations in the Western Hemisphere, and in dollar-hungry Soviet bloc countries presumably untroubled by terrorism. American Express reports an increase in bookings to Disneyland and other domestic attractions, and to South America. And bookings to the Soviet Union, it said, are running double last year's.

A recent poll by Travel Weekly, a publication of the American travel industry, confirmed the widespread effects of the fear of terrorism. It found that nearly half of 205 travel agents polled nationwide had clients that canceled or switched bookings as a result of last year's terrorist attacks.

Here are reports on the tourism picture in a number of key countries:

Greece

The Greek government says it has been victimized more than any other European country by the anxiety over terrorism, despite the fact that a recent devaluation of the drachma has made Greece one of the cheapest holiday destinations in Europe.

Last year, 466,000 Americans visited Greece, a slight decline from the year before but 20 percent below the projection. This year, however, following the hijacking of a Trans World Airlines jet out of Athens last year by Arab extremists, the figure is expected to drop by 50 percent.

The decline is particularly catastrophic because American visitors spend on the average three times more than European tourists.

Israel

According to Israeli government figures, 244,000 Americans visited Israel from January to July last year. But in the next seven

(Continued on Page 5, Col. 4)

Egypt Vetoed U.S. Plan to Attack Libya

By Bob Woodward
Washington Post Service

WASHINGTON — Eight months of secret U.S. efforts to gain Egyptian approval for a U.S.-Egyptian military operation designed to overthrow the Libyan leader, Colonel Moamer Qadhafi, appear to have foundered following public disclosure and rejection of the plan by Cairo, informed sources said.

Qadhafi reportedly sought a dialogue with Washington after last week's confrontation. Page 5.

But there were contradictory reports Tuesday on whether the plan had been abandoned by the United States. Officials in Cairo were quoted in the semiofficial newspaper Al-Ahram this week as saying that Egypt had rejected three U.S. overtures in recent months for a joint attack on Libya.

U.S. sources, however, said that secret discussions in Cairo in February were productive and the joint planning was continuing.

One option called for U.S. military air operations in coordination with Egypt, which would attack across the 600-mile (970-kilometer) Libyan-Egyptian border. U.S. support was to include extensive bombing in what one source said would have been the most ambitious and aggressive foreign policy decision by the Reagan administration.

President Ronald Reagan authorized the planning and in the last eight months sent two high-level emissaries to Egypt for secret military planning, according to informed sources.

One emissary, Vice Admiral John M. Poindexter, now Mr. Reagan's national security affairs adviser, headed a team of military planners that visited Cairo late last summer. A senior Pentagon general assigned to the Joint Chiefs of Staff continued the efforts in February in meetings that one source said "went very well."

Mr. Reagan never gave final approval to carry out the military plan and sources disagreed Tuesday about how close it came to realization.

"It was really a plan for a surprise attack on Libya in conjunction with Egypt, nothing less," one source said.

The Defense Department last year also slowed its planning when strategists concluded that as many as six divisions, or 90,000 men, would have to be used if direct U.S. military involvement were required.

One source said: "The whole attitude of the Pentagon study was, 'Do we want a war with Libya?' "

Libya's armed forces include 73,000 regular troops and 535 combat aircraft.

The joint U.S.-Egyptian military discussions were one of the most closely held undertakings in the Reagan White House, sources said.

"A small group of mostly senior advisers took the war-making power unto themselves," said one source critical of the planning. "They had insufficient understanding of the Middle East."

"It could have been a disaster," the source added.

Even while disagreeing over details of the plan and its current status, several sources agreed that it was not to be executed until there was a clear-cut provocation by Libya.

One part of the U.S. plan called for Egypt to attack Libya on the ground, occupying perhaps half of the country. Then, at Egyptian re-

(Continued on Page 5, Col. 3)

Reagan Approves Changes for Pentagon

By Gerald M. Boyd
New York Times Service

SANTA BARBARA, California — President Ronald Reagan has approved sweeping changes for the Pentagon, including strengthening the role of the chairman of the Joint Chiefs of Staff and creating a post to oversee the development and production of weapons, according to White House officials.

The changes were recommended by a commission created by Mr. Reagan amid reports of fraud and waste within the Defense Department and a continuing debate over the Pentagon's command apparatus.

White House officials in Washington said Tuesday that Mr. Reagan's decision would be announced by Thursday. The president faces an uphill fight in Congress for his Pentagon budget, which includes an increase of 8 percent over the rate of inflation.

The officials said his decision reflected his commitment to curbing waste, abuse and inefficiency within the Pentagon.

White House officials said Mr. Reagan would make some changes through an executive order, while others would require congressional action.

Among the most significant of the changes embraced by Mr. Reagan, the officials said, is a strengthening of the role of the chairman of the Joint Chiefs of Staff, a move that needs congressional approval. Several bills are pending that would provide the chairman with additional powers and clearly define his role as superior to the other chiefs of staff.

Officials said that Mr. Reagan had agreed with the commission that the chairman should be the principal military adviser to the president with clear control over the staff of the Joint Chiefs.

In its report, the commission criticized the lack of a uniformed officer with a clear responsibility for providing an integrated view of military needs.

In addition to strengthening the role of the chairman, Mr. Reagan will propose creating a post of vice chairman to improve coordination, officials said.

Several aides said the new post to oversee the development and production of all weapons would carry the title of undersecretary of defense, the third-ranking level at the Pentagon.

Mr. Reagan is also expected to call for a similar position within each military service.

To improve the budgetary practices within the Pentagon, the officials said, Mr. Reagan will propose multiyear budgeting, which had also been recommended by the commission.

The panel proposed a two-year budget, instead of the current one-year budget. Mr. Reagan had endorsed the concept in his State of the Union message.

Mr. Reagan's endorsement of the major recommendations came despite the fact that Defense Secretary Caspar W. Weinberger called the commission unnecessary when it was formed in June.

Mr. Weinberger withheld criticism when the panel, headed by David Packard, deputy defense secretary in the Nixon administration, issued its 26-page interim report Feb. 28.

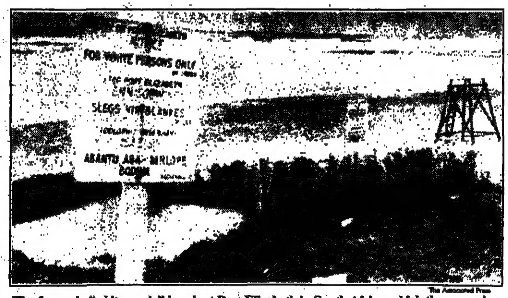
The panel concluded that no rational system existed whereby the executive branch and Congress could reach a coherent and enduring agreement on military strategy, the forces to carry it out or the money required.

It also said inefficient procurement was a result of inadequate procedures rather than "fraud and dishonesty."

White House officials said Mr. Reagan had decided to endorse the recommendations to "stay ahead" of public and congressional concern that the Pentagon was inefficient or was not ferreting out waste.

In February, Mr. Reagan made a nationally broadcast appeal for his Pentagon request of $320.2 billion, warning that a lower figure would jeopardize the nation's security. Even so, the Republican-controlled Senate Finance Committee approved spending levels short of his request.

INSIDE



The Associated Press

The formerly "whites-only" beach at Port Elizabeth in South Africa, which the managing director of a General Motors Corp. subsidiary there urged be desegregated. Page 2.

South Africa Eases Ban on Mandela

United Press International

JOHANNESBURG — Winnie Mandela returned to her home in Soweto on Wednesday after the government decided not to enforce the order barring her from that black ghetto outside Johannesburg.

The government decision came only hours after Mrs. Mandela, the wife of the jailed African National Congress leader Nelson Mandela, announced her intention to defy the ban and drive to her home in Soweto for the first time this year.

In another development, Bishop Desmond M. Tutu, the Nobel Peace Prize winner, called for international sanctions against the white government.

"Our land is burning and bleeding and so I call on the international community to apply punitive sanctions against this government to help us establish a new South Africa," Bishop Tutu said. He first threatened in December to call for sanctions.

"We face a catastrophe in this land and only the action of the international community by applying pressure can save us," he said.

[Bishop Tutu declined to specify what types of sanctions he favored, saying individual countries should decide for themselves, The Associated Press reported from Johannesburg. But he said sanctions should be immediate.]

Bishop Tutu, the first black Anglican bishop of Johannesburg, could face prosecution under vague "economic sabotage" laws because of the statement.

[Lawyers disagree as to whether the call violates South African laws, The AP said. Bishop Tutu, asked about the prospect of arrest, said, "I don't think I am going to be deterred by that kind of consequence." There was no immediate government reaction to his call.]

Winnie Mandela's lawyer, Ismael Ayob, said he was told by the state attorney in Johannesburg that authorities no longer would seek to enforce the four-month-old "banning order" barring her from Johannesburg and the neighboring Soweto black township.

But Mrs. Mandela remains a "listed person," which means she may not be quoted in the local media. All other restrictions against her have now been lifted.

She was arrested in Soweto on Dec. 22 and spent a night in jail for defying the order that prohibited her from entering Johannesburg and Soweto.

Mrs. Mandela was arrested again on Dec. 30, but her February trial was postponed pending an appeal to the banning order filed with the Supreme Court.

She had been exiled for eight years to the Orange Free State province town of Brandfort but the government ended her exile in December, giving her freedom of movement in all areas except Johannesburg and Soweto.

Meanwhile, thousands of black children ended a two-year-old political boycott of schools Wednesday and teachers in ghettos around Johannesburg, and Pretoria said the turnout appeared to be near normal levels.

It was not immediately clear whether pupils in all parts of the country were returning to classes as schools reopened after a 10-day Easter recess.

Japan Wants Trains to Go Faster Than the 'Bullet'

By Clyde Haberman
New York Times Service

TOKYO — For two decades Japanese have taken pride in their famous "bullet train," which gets them from Tokyo to Nagoya, 210 miles away, in less time than the New York subway sometimes takes to cover the length of Manhattan.

Now, the Japan National Railways thinks it may be time to go faster than that speeding bullet. To some railroad officials, it is a basic matter of saving face.

In 1981, the French began zipping from Paris to Lyon on their Train à Grande Vitesse, sleek cars that suddenly left Japan's bullets in the dust, with normal operating speeds of up to 170 miles (about 275 kilometers) an hour. The best the Japanese can do on passenger runs is 150 miles an hour.

Trainmen in Japan did not take kindly to the notion of their country as No. 2. As a result, senior officials at the national railroads are pursuing plans to build a super-express train, capable of going 186 miles an hour on their Tokaido line, a vital stretch between Tokyo and Osaka.

They say their new cars, lighter but more powerful, will push them to the outer limits of economically feasible rail speed.

The main impetus for change, according to these officials, is a need to lure more customers to the Tokaido line, whose ridership has stagnated in recent years. But indirectly they concede that a compelling consideration is their eagerness to overtake the French and thereby regain the rail glory that was Japan.

"Personally, I cannot deny this desire" was how Asahi Mochizuki put it.

Mr. Mochizuki, the railroad's chief engineer for bullet train design, has yet to receive a final go-ahead. That places him, he recognizes, in an uncomfortable race for time with the French, who have their own designs for new cars that would run just as fast.

With 265 trains operating every day, bullet service is such an integral part of Japanese life that some people forget how much it revolutionized long-distance rail travel.

From the start, in 1964, it changed the way Japanese do business and, to a degree, the way they live. For example, salesmen who used to have to spend the night out of town can now return home the same day because travel time has been cut by more than half.

Actually, only foreigners talk about the bullet train, a reference to both its speed and the distinctive shape of its engine car. In Japanese, the train is known less glamorously as the New Trunk Line, or Shinkansen.

Shinkansen lines fan out in three directions from the capital, extending far west to the island of Kyushu, northeast to Morioka and due north to Niigata in the heart of "snow country" along the Sea of Japan.

Plans are under analysis for another line that would cut through the Japan Alps to coastal cities 160 miles northwest of Tokyo.

Paying for the construction will be a great burden for the national railroads. It wound up paying $212 million a mile — $3.6 billion, in all — just to build a 17-mile Shinkansen link that opened last year between Tokyo's Ueno Station and the suburban city of Omiya.

Still, the cost may ultimately be deemed worthwhile. The Shinkansen is one of the few railroad divisions that turns a profit, accounting in 1984 for 41 percent of the $14.8 billion in total passenger revenues.

Making the bullet trains run faster may require more political savvy than engineering skill.

Resistance is almost certain to come from Japanese living near Shinkansen tracks, whose houses and shops rattle and thunder every few minutes. They want to slow the bullet, not speed it up.

Last year, the Nagoya High Court ordered the national railroad to pay 409 Nagoya residents a total of $2.1 million in compensation, although it rejected their request that trains be required to go no faster than 68 miles an hour.

While the debate goes on, the railroad is investing in technology that could make the Shinkansen obsolete.

It has spent $167 million to develop a so-called linear-motor car, which would be elevated above the track and propelled by magnetic force. By next January, officials hope to have a manned prototype capable of reaching a speed of nearly 250 miles an hour.

Gaullist Will Lead French Assembly

By Richard Bernstein
New York Times Service

PARIS — The French National Assembly met Wednesday for the first time under its new conservative majority. In a session marked by some turbulence, it elected a Gaullist former prime minister, Jacques Chaban-Delmas, as its president.


Jacques Chaban-Delmas

The parliamentary session introduced to the public the lawmaking body that is expected to reverse much of the program put into place during the past five years by the Socialists, who were defeated in parliamentary elections last month.

The session came amid expectations that the National Assembly, long something of a rubber-stamp body that automatically approves the program of the government, would be watched more closely than ever before in recent years.

This is because for the first time, the French government is divided between a conservative parliamentary majority, led by Prime Minister Jacques Chirac, and a Socialist, President François Mitterrand, who still has two years in office.

Mr. Chaban-Delmas's selection as the National Assembly president, a post making him largely responsible for marshaling the votes needed to pass legislation, was approved last week by the largest party in the conservative coalition, Mr. Chirac's Gaullist Rally for the Republic.

The party had turned down a bid by former President Valéry Giscard d'Estaing for the presidency of the powerful lower house of Parliament. The Gaullists' choice of Mr. Chaban-Delmas, 71, seemed to exclude the center-right former head of state from virtually any major role in the new government.

Mr. Chirac, who attended the opening session of the National Assembly, is expected to outline his program in a speech to Parliament next week, but he has already said that he intended to move quickly to put nationalized industries back into private hands and to reduce regulation of business.

Wednesday's session saw a noisy parliamentary debut by the far-right National Front Party, which won a block of 35 seats in the new legislature, its first seats ever. The entry of the party's leader, Jean-Marie Le Pen, into the chamber as the session was about to start provoked at least as much of a stir as the arrival of Mr. Chirac, the new prime minister.

"All they're talking about is Mr. Le Pen today," said Jean-Claude Gaudin, a leader of the center-right Union for French Democracy, which is allied with the Gaullists in the new majority.

As the session began, a National Front deputy provoked the parliament's first confrontation when he rose to protest, on largely technical grounds, the seating of 27 members of the conservative majority who replaced those named as ministers in the new government. Cabinet-level figures are required to pass their seats to substitutes.

The National Front member, Jean-Claude Martinez, engaged in a shouting match with Guy Ducoloné, a Communist who is an outgoing vice president of the assembly. A score of other parliamentarians banged the lids of their desks until Mr. Martinez obeyed an order from the session's chairman to sit down.

The combined rightist parties hold only two seats more than the 289 needed for an absolute majority. Firm discipline within its ranks is therefore necessary if it is to push through a program opposed by Mr. Mitterrand.

Yet, it took a second ballot to elect Mr. Chaban-Delmas to the National Assembly's top post. He failed to win the necessary majority in a first round of voting, apparently because some supporters of Mr. Giscard d'Estaing refused to vote for him.

Mr. Giscard d'Estaing, who was not offered a cabinet-level position by Mr. Chirac, had argued after last month's election that the top post in the National Assembly should go to a member of the Union for French Democracy to balance the predominance of the Gaullists.

French political analysts also said that Mr. Giscard d'Estaing, president from 1974 to 1981, wanted the post to give him a significant role to play on the French political scene in the two years before the next presidential elections in 1988.

When, however, the Gaullists chose Mr. Chaban-Delmas, who has twice before served as assembly president, Mr. Giscard d'Estaing withdrew his candidacy, saying that he was doing so to avoid a quarrel within the ranks of the conservatives.

Leader Calls For Overhaul Of Economy In Bulgaria

The Associated Press

SOFIA — Todor Zhivkov, the Bulgarian leader, opened the 13th Communist Party Congress on Wednesday with a call for "profound change" in the management of the economy and for intensified economic and technological development.

Addressing more than 2,260 party delegates and foreign guests, Mr. Zhivkov said many of Bulgaria's past economic methods had "exhausted their capacities," slowing what was once one of the most successful economies in Eastern Europe.

"As a party and as a country, we are faced with new realities," Mr. Zhivkov said. "A profound change is necessary."

In the 90-minute speech, Mr. Zhivkov called for greater efficiency and an end to excessive bureaucratic procedures, a drive against party corruption and intensified development of new technologies to bring Bulgaria into the computer age.

The four-day congress will set national priorities for the next five years.

Mr. Zhivkov's call for increased economic development through economic reform echoed remarks made by Mikhail S. Gorbachev, the Soviet leader, at the opening of the Soviet party congress in Moscow in February.

Under Mr. Zhivkov, 74, who came to power in 1954, Bulgaria has been one of the Soviet Union's most *faithful* East European allies, but there have been signs of strains in Bulgaria's relations with the Soviet Union since Mr. Gorbachev came to power last year.

Nevertheless, Mr. Zhivkov said: "We shall continue to pursue the course of all-round cooperation and closer links with the Soviet Union."

The Bulgarian leader expressed "ardent support" for Soviet arms control proposals and accused the United States of threatening peace by "disregarding" Mr. Gorbachev's call for a moratorium on nuclear tests.

The Russians — as they have with all Eastern European allies — have hardened their trading relations with Bulgaria.

During a visit to Sofia last year, Mr. Gorbachev made statements that indicated some differences with Mr. Zhivkov, a man of an older generation who was closer to the style of the late Soviet leader Leonid I. Brezhnev.

However, Nikolai I. Ryzhkov, the Soviet prime minister and head of the Soviet delegation, praised the Bulgarians in his address to the meeting. He called them "loyal and reliable friends" of the Soviet Union.


The Associated Press

STRIKE IN FINLAND — The main railroad station in Helsinki was nearly deserted Wednesday after 15,000 state employees in the Helsinki region began a strike after their demands for higher pay were rejected. The employees' union said that its action would stop rail traffic, disrupt airline flights and affect postal and other public services.

Pakistan Rejects a Soviet Timetable For Afghan Pullout, U.S. Sources Say

By Don Oberdorfer
Washington Post Service

WASHINGTON — The Pakistani government has rejected the Soviet Union's proposed timetable for pulling its troops out of Afghanistan as too lengthy, according to U.S. and diplomatic sources.

However, the sources said Pakistan considered the proposal to be the basis for further negotiation and has agreed to a new round of United Nations-sponsored indirect talks with Afghanistan in early May.

State Department officials said Tuesday that details of the proposed Soviet withdrawal plan, including its length, were being kept secret by a few top officials of the government of Pakistan and by the UN mediator, Diego Cordovez. Mr. Cordovez received the plan from the Afghan government in the middle of March and took it immediately to Pakistan.

U.S. officials hope to learn more when Mr. Cordovez meets soon with Undersecretary of State Michael H. Armacost.

Sources said the Afghan government plan, which is presumed to have been drawn up in Moscow, called for the phased withdrawal of the more than 100,000 Soviet troops in return for a halt to outside support for the Afghan rebels.

The plan is reported to call for monitoring by impartial observers to determine that outside support for the rebels has ended, which would be required before Soviet troop withdrawal began.

President Mohammad Zia ul-Haq of Pakistan said in an interview published March 27 by the French newspaper Le Monde that Moscow has given "very positive signs" of readiness to negotiate a withdrawal of its forces.

General Zia was asked if he thought Mikhail S. Gorbachev might review Soviet policy toward Afghanistan and consider the Soviet invasion a mistake. He replied: "It is very possible that Mr. Gorbachev has changed his mind."

The withdrawal plan given to the UN mediator is viewed skeptically in Washington, where a senior official suggested it might be part of a public-relations ploy directed from Moscow while the fighting in Afghanistan continued or even intensified.

State Department officials said Soviet troops appeared to be preparing for a major offensive against rebel bases along the Pakistani border in eastern Afghanistan. The officials said the heaviest fighting of this year has been taking place recently in Nangarhar, Paktia and Paktika provinces near the border.

The Reagan administration, meanwhile, is stepping up its military support for the rebels by authorizing the Central Intelligence Agency to supply them with Stinger anti-aircraft missiles.

Statements by Mr. Gorbachev to President Ronald Reagan at their Geneva summit meeting in November led to widespread speculation that Moscow might seriously pursue a negotiated settlement of the six-year Afghan war. Subsequently, U.S. sources said they saw no tangible evidence of such a move.

On Dec. 12, Deputy Secretary of State John C. Whitehead announced U.S. readiness to serve as an international guarantor of a negotiated settlement that would include a withdrawal of Soviet troops and an end to outside aid to the Afghan rebels.

China Is Said to Face Farm Crisis in Sichuan

Reuters

BEIJING — China's biggest grain-growing province, Sichuan, reportedly is facing an "alarming" decline in farm conditions.

The Xinhua press agency quoted a delegate to the National People's Congress, China's nominal parliament, as saying that the state should take a close look at "soil deterioration, aging farm machinery, dilapidation of water conservancy projects and degradation of crop strains."

The delegate, Li Qingkui of the Jiangsu Soil Research Institute, blamed the trends, which he called an "alarming phenomenon," on lack of investment.

Xinhua quoted another delegate as saying that grain output fell last year because farmers made more from cash crops than grain. He added that some were reluctant to fertilize land because they could use it for only three years.

In December, Chen Yun, the Communist Party's highest-ranking conservative, warned that Deng Xiaoping's policies were prompting many peasants to switch to cash crops.

Mr. Chen reminded delegates at a conference that the government's main responsibility was to be sure that China's one billion people were adequately fed.

Echoing Mr. Li's view, the English-language China Daily said that investment in agriculture in Sichuan, which produces 10 percent of China's grain, fell from 83.4 million yuan ($26 million) in the 1976-1980 period to 57.6 million yuan in 1981-1985.

As a result, farmland suffering from water loss and soil erosion through extensive cutting down of trees had increased by 50 percent since the 1960s, the newspaper said.

The paper said the proportion of Sichuan's farmland under irrigation was 40 percent, unchanged from the 1960s, also because of lack of investment.

It said the total acreage sown for wheat in Sichuan this year had fallen by 139,000 acres (56,000 hectares) from 1985, after 500,000 acres were switched to cash crops last year.

The change was due, it said, to low state grain purchase prices, high production costs and a daily wage for grain-growers of 1.85 yuan, less than half that earned by those working in rural factories or trade.

Starting this year, the paper said, the state will offer farmers cheap fertilizer for growing wheat and loans for wheat, corn and rice.

WORLD BRIEFS

U.S. Extradites Ex-Mexican Official

MEXICO CITY (AFP) — Alberto Durazo, the former police chief of Mexico City, has been extradited from the United States and imprisoned here.

Mr. Durazo, 68, who was chief of police during the 1976-82 presidency of José Lopez Portillo, has been accused of amassing millions of dollars in kickbacks from the officers he commanded and from car-licensing agents. He faces charges of extortion and illegal arms possession, U.S. Embassy officials said.

Mr. Durazo fled from Mexico in December 1982. He was arrested by the Federal Bureau of Investigation in June 1984 when his plane made a stopover in Puerto Rico during a flight from Brazil to Europe. A 20-month battle by his lawyers to prevent his extradition ended Tuesday.

Right Booster Joint of Shuttle Found

CAPE CANAVERAL, Florida (AP) — Searchers have retrieved part of Challenger's right booster rocket containing some of the joint suspected of causing the explosion of the space shuttle, but the precise spot where the explosion was triggered was undoubtedly destroyed in the disaster, the chief of the salvage effort said Tuesday.

Colonel Edward A. O'Connor of the air force expressed confidence that more surrounding pieces would be found and would help pinpoint the exact cause of the accident.

He said a section of a joint retrieved several weeks ago from the ocean floor has been positively identified as part of the joint on the right booster rocket that apparently failed, killing seven astronauts Jan. 28.

Australian Firms Allowed Role in SDI

SYDNEY (UPI) — An Australian cabinet minister said Wednesday that private companies will be allowed to take part in President Ronald Reagan's Strategic Defense Initiative but that the government will not take part in the program.

"It's clear there will be no joint government contracts associated with SDI," said the minister of industry and technology, John Button, ruling out any official government participation.

Mr. Button said, however, that it would be "virtually impossible" for the government to prevent Australian companies from participating in the research program. "It may be that some private companies have joint ventures or something with American companies that may be getting some SDI money," he said. "You can't help that. You can't isolate that."

Teacher Missing in Beirut; Strike Set

BEIRUT (UPI) — Professors at the American University of Beirut called Wednesday for an indefinite strike to protest the disappearance of a British colleague who is thought to have been kidnapped with another British teacher in West Beirut.


John Leigh Douglas

The 450 faculty members met at the seafront campus in the Moslem-dominated western part of the city and voted to close the university and its hospital starting Monday. Professor John Leigh Douglas, one of 15 British teachers at the heavily guarded campus, was reported missing Friday.

Mr. Douglas, 34, a political science professor, and Philip Padfield, 40, director of Beirut's International Language Center, were last seen at a night club.

Spain Rejects U.K. Gibraltar Protest

MADRID (Reuters) — Spain rejected a British protest Wednesday over an alleged incursion by a Spanish warship into Gibraltar's territorial waters, saying it regarded the waters as being under Spanish sovereignty, a Foreign Ministry spokeswoman said.

She said a British Embassy official delivered a protest to the ministry and was told Spain only ceded to Britain the waters of the port of Gibraltar in the 1713 Treaty of Utrecht.

"She said he was told that "the remaining waters around the rock are under Spanish sovereignty." According to the British Foreign Office, the aircraft carrier Dedalo entered Gibraltar waters on the night of March 20-21 and launched two helicopters dangerously close to Gibraltar airport.

Indian Alleges Pakistan Backs Sikhs

NEW DELHI (AP) — Interrogation of captured Sikh extremists has disclosed Pakistan's involvement in the recent violence in Punjab state, an Indian minister said Wednesday in Parliament. Pakistan has denied involvement.

"This must be taken up in the hardest possible way with Pakistan," the internal security minister, Arun Nehru, said in the ruling lower house, the Lok Sabha. "This is a hostile act."

Mr. Nehru said the Foreign Ministry had been asked to protest formally to Pakistan over its alleged role in the Punjab unrest. More than 100 people have been killed in a month of violence.

For the Record

Rescue teams have recovered both the cockpit voice recorder and flight data recorder Tuesday from a Mexicana Airlines Boeing 727 that crashed in central Mexico on Monday, killing all 166 people aboard. The cause of the crash has not been determined. *(NYT)*

Tamil guerrillas ambushed an army convoy Wednesday, killing seven soldiers, the Sri Lankan Defense Ministry said. The attack, the second in five days, occurred near Kokavil in the northern Mullaitivu district, a ministry spokesman said. *(Reuters)*

Diplomats from 35 countries began preliminary talks in Bern on Wednesday for a meeting later this month on expanding human contacts between Eastern and Western Europe within the framework of the 1975 Helsinki accords. *(AP)*

Marcos Family Used 'Animal Park' for Hunts

New York Times Service

MANILA — With one of his lesser-known presidential decrees, Ferdinand E. Marcos once ordered that Calawit, a remote island in the South China Sea, be made into a preserve for African animals. It was to be a natural sanctuary, he said.

More than 120 families of poor farmers and fishermen were forced from their homes on the island, 275 miles (445 kilometers) southwest of Manila, and herds of giraffes and zebras, impala and bushbuck were imported from Kenya at government expense.

There they roamed the grassy plains and rolling hills undisturbed, except for hunting parties from the presidential palace. The leading hunter, according to an official of the new Ministry of Agriculture and Food, was Ferdinand E. Marcos Jr., who flew in by helicopter.

"They turned it into a private hunting ground, which we've now discovered was costing the government 600,000 pesos a month," or $30,000, according to the official, Carlos Dominguez, a deputy minister. "It's unbelievable in a country where kids are starving to death."

Filipinos End Holdout at U.S. Base

The Associated Press

SUBIC BAY NAVAL BASE, Philippines — Leaders of 1,250 militant Filipino strikers decided Wednesday to lift their barricades at Subic Bay Naval Base, ending a 24-hour last stand, and promised to allow workers to return to the U.S. base.

The decision came as businessmen in Olongapo City, who have lost an estimated $1.2 million in revenue during the 12-day walkout, increased pressure on the strikers to let U.S. servicemen pass through the gates.

Larry Salazar, a director of the union representing about 22,000 employees at U.S. military installations in the Philippines, announced the decision, amid cheers, to the militants manning the barricades at Subic's main gate.

The decision emerged from a meeting involving Mr. Salazar; Manuel Torres, leader of a splinter group of strikers; and 30 picket line organizers.

Mr. Salazar said the decision was unanimous.

The Subic militants were the last holdouts in the strike that had affected Subic, the largest overseas U.S. naval base, Clark Air Base and half a dozen smaller U.S. installations.

Earlier, thousands of workers returned to their jobs at Clark and the other installations after accepting a settlement plan offered Tuesday by a conciliation panel of U.S. and Philippine government officials.

Militant workers had refused the offer, saying it did not go far enough to meet the strikers' economic demands.

"We have reached the limitations of our power," Mr. Salazar said.

He said the U.S. military and the Philippine government would not recognize the militant strikers and so "there is no point in us remaining at the barricades."

He said the strikers planned to lift the barricades before sunrise Thursday in time for the first working shift.

■ **Aquino Appoints Justice**

President Corazon C. Aquino, moving Wednesday to dispel criticism that she is a dictator, named a liberal judge, Claudio Teehankee, chief justice of the Supreme Court, United Press International reported from Manila.

The deposed president, Ferdinand E. Marcos, had denied the post twice to Mr. Teehankee.

"Teehankee is known for his libertarian views so this dispels the theory" that Mrs. Aquino "is a dictator," according to the political affairs minister, Antonio Cuenco.

Mr. Teehankee, 67, said later: "I believe President Aquino recognizes the important role of the Supreme Court especially in this crucial time when it is the other great department of government."

Confronting Apartheid: U.S. Businesses Grow Bolder in Demanding Change

By Glenn Frankel
Washington Post Service

JOHANNESBURG — Robert White won a small skirmish in a large war this week when the city council of Port Elizabeth voted to desegregate its beaches.

Mr. White, the managing director of General Motors Corp.'s South African subsidiary there, had sent an angry letter to the editor questioning the council's courage and integrity for what he saw as clocking the issue. He called the legal segregation of the beaches "abhorrent."

Mr. White went a step further and pledged legal and financial support to any of his black employees who might decide to break the law by stepping onto the wrong sand.

His statement set off fireworks in the white establishment here, which accused GM of encouraging civil disobedience. Soldiers patrolled the beaches on the following weekend to keep blacks out, while a cabinet minister told GM to "keep its nose out of South Africa's business," and a far-right lawmaker called for a boycott of the company's products.

Business Day, considered the voice of South Africa's corporate community, called Mr. White's stance "a radical departure."

But this week the council gave in, prompted by Mr. White's letter and by a strong lobbying campaign from local business leaders.

In a country where blacks cannot vote in national elections, and where schools, housing and most of life's opportunities remain strictly segregated, GM's stance on the beach issue symbolized a new mood and a new strategy among many of the 300 American companies doing business in South Africa.

Many companies, beset by the rising militancy of the black majority here, by proponents of disinvestment in the United States and by a faltering South African economy, are seeking new justifications for remaining in South Africa and are speaking out more loudly and often against the apartheid system of racial separation.

"It seems quite clear to me that business is going to have to take a far more active role in pushing for change," Mr. White said. "Our involvement in politics has to move to another level and we're all in a position of groping for an effective way of doing that."

In recent months Citibank and Coca-Cola Co. have announced new programs to support black economic development and education, while the American Chamber of Commerce here and other business groups have made strong public statements criticizing the white-minority government on such issues as segregated schools and allegations of police brutality.

The efforts seem intended to demonstrate that big business and apartheid do not mix and that American corporations are committed to the system's peaceful but rapid demise.

Until recently that would have been a tough thesis to prove. South Africa was a relatively small, tranquil but lucrative outpost for American companies.

Kenneth Mason, executive director of the American Chamber of Commerce here, cites Commerce Department figures indicating that the rate of return on investment was 15 percent in 1983, compared to 10 percent in the United States. "There has always been a strong profit motive in doing business in South Africa," he said.

But profits have been drained in recent years by a lingering recession whose impact has been compounded by two years of racial violence.

Art Tregenza, a spokesman for GM, noting the general decline in South Africa's car industry, conceded that "for the past few years, we haven't done well, and it raises a question: How long does a company like GM continue to participate in a market if there's no return?"

The steep decline in profits has been more than matched by a plunge in the confidence of businesses in the country's white rulers. Just a few years ago, many business executives were optimistic that the government's self-proclaimed "reforms" would ultimately meet black aspirations and maintain political stability.

But the government's inability to cope with the violence, which now has claimed about 1,400 lives in 19 months, has led some business executives to conclude that Pretoria is leading South Africa toward disaster.

"Time is very definitely running out," said David English, managing director of the South African branch of Rank Xerox Ltd., a 51-percent-owned British subsidiary of Xerox Corp. of America. "A lot of people are thinking of pulling the rug out for commercial and political reasons. They're frankly running out of patience with this government."

For some time has already run out. About 20 American companies pulled out of South Africa last year, according to the American chamber, and perhaps five more are in the process of leaving. Others are said to be quietly withdrawing their assets through a variety of backdoor methods, while many American banks have suspended further loans.

"We're seeing movement mostly among companies that are marginal," said Lionel Grewan, a Citibank vice president. "But the big giants — the IBMs, the Citibanks — plan to stay."

Since 1978, their showcase has been the Sullivan Principles, a code of business conduct that commits 186 signatory companies to full integration of work facilities, pay scales and employment opportunities, as well as training programs and community development.

One indication of growing corporate concern is that the number of signatories increased 50 percent last year. Since January, under the executive order signed by President Ronald Reagan last year, all U.S. companies with more than 25 employees here have been forced to comply with a Sullivan-based code or else be barred from government export assistance.

The code has been credited with improving the economic status of the 40,000 black employees who work for participating companies and with creating little islands of racial equity. But the signatories employ less than 1 percent of South Africa's work force.

A recent report by a political scientist and an economist at the University of Durban concluded that the code has had little or no impact in the country other than in creating "a small worker elite as a very expensive public relations exercise."

Bishop Desmond M. Tutu, the 1985 Nobel Peace Prize recipient and the Anglican bishop of Johannesburg, said it was "humbug" for U.S. companies to contend that they were a progressive force for change here.

At best, the Sullivan code has an ameliorative impact on apartheid, said Bishop Tutu, adding: "But we don't want our chains made more comfortable. We want them removed."

Stung by such criticism, the Sullivan signatories have pledged to move outside company walls and take a more active role in promoting fundamental social change. But success has been limited.

A prime example has been in education, where 12 signatories set up a task group in 1983 and, as "used by black teachers' organizations, devised a plan to upgrade teachers' skills. It was the kind of practical program that they believed would go to the heart of a major social and political problem. But it has drawn little support from American corporations.

Only about two dozen have contributed to the programs, according to the chairman of the task force, Patrick O'Malley, public affairs officer at Mobil Corp.'s unit in Cape Town. "Obviously we would like to expand," he said.

One involved businessman, speaking not for attribution, explained the problem this way:

"The companies back home have no problem with this kind of program. But most of the guys here are only interested in warmhearted gestures that improve their corporate image with blacks or alleviate shareholder pressure in the U.S. They're not interested in collective programs because they have no individual PR value."

White House Strategy Bars Change on Taxes, Defense

By Bernard Weinraub
New York Times Service

SANTA BARBARA, California — White House officials have decided on a congressional strategy of no compromise on tax increases or on stepped-up military spending, according to Reagan administration officials.

The officials also said Tuesday that upon the return of Congress from Easter recess next Tuesday, the White House would concentrate on seeking to gather enough support in the House to send $100 million to the guerrillas trying to depose the Sandinist regime in Nicaragua. The issue is expected to be taken up by the House on April 15.

The decision to press Congress for growing military spending and to accept no tax increases, made at a 90-minute meeting here Tuesday, signaled a potentially serious clash with Congress over the next few weeks and possibly months.

Administration officials privately conceded that the high-risk strategy threatened to seriously damage White House relations with the Republican-controlled Senate, which has been in virtually open revolt over the administration's 1987 budget proposal.

The Senate Budget Committee has rejected President Ronald Reagan's military and domestic priorities, approving a budget that would give the military $25 billion less than he proposed and that would raise $18.7 billion in taxes.

Tuesday's meeting was called by Donald T. Regan, the White House chief of staff, and attended by about a dozen key aides.

Also participating, by way of a telephone hookup, were such officials as Admiral John Poindexter, the national security adviser; Beryl W. Sprinkel, chairman of the Council of Economic Advisers; James A. Miller, the head of the Office of Management and Budget; and Patrick J. Buchanan, the White House communications director.

Afterward, Mr. Regan bluntly told the participants that he did not want any portion of the discussion disclosed to the press.

Participants at the meeting, who spoke on condition that they not be identified, called it a "take stock" and "brainstorm" session designed to shape a coherent approach to the administration's legislative agenda.

Mr. Regan has said privately that he wants to listen to the participants at the meeting and spend the remainder of the week contemplating strategy for a congressional session that may prove nettlesome for the White House.

Officials said the prospects of a summit meeting between the president and Mikhail S. Gorbachev, the Soviet leader, were also discussed. Mr. Reagan has proposed such a meeting in June or July, and White House officials made it plain that it was now up to Mr. Gorbachev to decide whether or not he wanted to come to the United States.

Officials said that the key legislative priorities were outlined at Tuesday's session in the following order: aid to the Nicaraguan rebels, action on the budget and tax overhaul.

On the "contra" issue, officials said, there was some degree of White House optimism that the House would endorse the $100-million aid package to the Nicaraguan rebels that the Senate narrowly supported March 27.

The House rejected an almost identical proposal by 12 votes two weeks before that. But White House officials voiced the belief that some compromise that provided military aid was almost certain to be approved.

The officials were less certain Tuesday about shaping a compromise on a budget, in which the Republican Senate majority seems intent on reducing the president's military spending request as well as raising new revenue.

The Budget Committee's chairman, Pete V. Domenici of New Mexico, has contended that there is little room to revise his panel's budget plan, which gave the military $25 billion less than Mr. Reagan proposed and would raise $18.7 billion in new revenues.

Senator Domenici has said that the plan was "pretty close to a consensus budget" and was "what ultimately will have to be done."

But Mr. Regan and other White House officials have ruled out such military cutbacks.

The issue itself is shadowed by a new budget-balancing law that sets a $144-billion ceiling for the 1987 deficit. The measure requires automatic cuts to reach that target if Congress and the president, through conventional legislation, are unable to reach a compromise.

Administration officials have expressed concern that the law might drive the Senate and the House to write a bipartisan budget that defies Mr. Reagan's priorities of a growing military budget and no tax increases.

Reuters

A PEEK NORTH — The U.S. defense secretary, Caspar W. Weinberger, looked into North Korea from a guard post near the demarcation line dividing the Korean peninsula. Mr. Weinberger is visiting South Korea for a two-day meeting on security. He said that American forces would remain in the country as long as they were needed or wanted.

New Mobs Change Organized Crime

By George Lardner Jr.
Washington Post Service

WASHINGTON — Organized crime, transformed by new ethnic groups and criminal gangs, is cheating the U.S. of more than $18 billion a year and costing it more than 400,000 jobs, the President's Commission on Organized Crime has concluded.

In a final report issued Tuesday, the commission warned that "we must broaden our perspective" beyond the traditional preoccupation with the Mafia and realize that the problem has become much more pervasive.

Half of the commission members, however, complained about the quality of the panel's work. They chastised it for failing to assess the federal government's anti-crime efforts and for leaving other important issues unexplored.

The commission, appointed by President Ronald Reagan in 1983, found that at least four outlaw motorcycle gangs had evolved "into full organized crime groups" with chapters reaching into Europe and Australia.

More recently, the report said, self-perpetuating gangs have established themselves in U.S. prisons, with at least five groups — the Mexican Mafia, La Nuestra Familia, the Aryan Brotherhood, the Black Guerrilla Family and the Texas Syndicate — apparently meeting "the criteria of an organized crime group."

"All five operate in more than one state," the panel said. "In all five, either murder or the drawing of blood are prerequisites for membership."

Of ethnic crime, the commission said secret Chinese criminal societies known as Triads, Vietnamese gangs preying on fellow immigrants, Japanese "Yakuza" groups, Cuban crime cartels, Colombian cocaine rings, holdover Irish gangs and even newly established Russian immigrant organized-crime groups are flourishing in different areas of the country.

"There will be little lasting benefit in disabling La Cosa Nostra if other groups successfully claim its abandoned criminal franchises," the commission said.

Several groups "are obviously able and eager to do so," it said.

The 222-page report, entitled "The Impact: Organized Crime Today," includes a number of supplemental and dissenting views that reflect deep dissatisfaction within the 18-member panel.

Much of the dissatisfaction was over the performance of its staff and of the chairman, Judge Irving R. Kaufman.

One supplement, signed by nine commissioners, complained that "poor management of time, money and staff has resulted in the commission's leaving important issues unexamined."

Especially disturbing, the supplement said, was the commission's failure to examine questions about the effectiveness of federal and state efforts against organized crime.

The nine dissenting panelists said the commission had done "some good work" but had been hampered by unrealistic deadlines, resistance to meetings to review draft reports and at times "final drafts which were not even shown to commission members before publication."

Tuesday's final report was shown to them and was much thinner as a result, sources said.

"We junked a lot of stuff, whole chapters in instances," said one member, who asked not to be named. "There was no split over issues; it was all over quality."

Judge Kaufman and other commissioners said in a statement that they had expected the dissent. Judge Kaufman praised the panel's work.

In a telephone interview, the commission's executive director, James Harmon, emphasized the panel's study on "The Income of Organized Crime." That study, conducted by Wharton Econometric Forecasting Associates Inc. of Philadelphia, was released Tuesday as part of the final report.

It estimated that each year in the United States, organized crime reduces the gross national product by $18.2 billion, reduces employment by 414,000, raises consumer prices about 0.3 percent and reduces per capita personal income $77.22.

The Wharton study also estimated that 1986 net income from organized crime activities would be about $46.6 billion and that gross receipts would come to $65.7 billion.

The commission called for new efforts to deal with unethical lawyers who cooperate with criminals and proposed tighter self-policing requirements by bar groups.

It also endorsed the limited use of undercover techniques, including electronic surveillance, to detect unlawful practices by lawyers.

FAA Says a Shortage of Technicians Could Jeopardize Air Traffic System

By Penny Pagano
Los Angeles Times Service

WASHINGTON — Federal Aviation Administration documents warn that a shortage of technicians who maintain air traffic control facilities and systems has become so severe that it could jeopardize the country's air traffic.

"Airway facilities staffing has diminished to a critical level," according to internal FAA documents made available Tuesday.

The documents, dated March 20, were prepared by the agency's office of development and logistics for a recent briefing of FAA officials.

The papers warn that budget reductions in fiscal 1986 and 1987 could seriously affect the FAA's plans to modernize the U.S. air traffic system and could jeopardize "maintenance of the national airspace system."

Continued maintenance of the air traffic system "at current mandated levels and quality will soon be impossible," the documents said, noting that some facilities already operate late-night watches with no technicians present to handle equipment problems and breakdowns.

Such technicians are needed to maintain and service computers, radar and other equipment used by air traffic controllers to provide pilots with the information they need to fly their planes and guide them into and out of airports.

"Clearly, the airways' technician work force situation is a real concern to us," said Stephen D. Hayes, an FAA spokesman. However, he maintained that the situation "is not a safety concern."

Mr. Hayes said the FAA was exploring a number of options to deal with the manpower problem.

"We may get to a point where there would be some impact on system efficiency, but not on safety," he said.

However, the warnings in the documents seemed to reinforce the assertions of the union representing technicians, the Professional Airways Systems Specialists, that a shortage of qualified technical specialists was beginning to affect air safety.

Howard E. Johannssen, president of the union, the largest representing FAA employees, said the documents "identify the issues we've been talking about."

He said 11,000 technicians served 18,000 air traffic control centers in 1981, compared to 6,500 technicians at 22,000 such centers today.

In recent months, the agency has announced plans to increase the number of air traffic controllers and safety inspectors, but little has been said about the technicians.

A hiring freeze imposed Dec. 30 by the FAA administrator, Donald D. Engen, in anticipation of cuts mandated by the Gramm-Rudman-Hollings budget-balancing law affected all agency personnel except air traffic controllers, safety inspectors and security specialists. The FAA's fiscal 1986 budget was reduced by more than $110 million.

The FAA papers indicate that the shortage of technicians could be further affected by the fact that 50.1 percent of the technicians have 25 years of service and that 38 percent are eligible to retire in five years. The attrition problem, the FAA documents said, "creates both skill and geographical imbalances in the system nationwide."

The FAA has maintained that new equipment that will be installed as part of its modernization plan will require less maintenance and fewer technicians.

Erik Bruhn, Leading Ballet Dancer, Choreographer, Dies at 57 in Toronto

By John Rockwell
New York Times Service

NEW YORK — Erik Bruhn, the leading dancer of his generation and one of the finest ballet dancers of the 20th century, died Tuesday in Toronto's General Hospital. He was 57 years old, and had been diagnosed as having lung cancer two weeks ago.

AP

Erik Bruhn

The artistic director since 1983 of the National Ballet of Canada, a company with which he had had a 20-year association as dancer and choreographer, Mr. Bruhn was best known in the United States as a leading dancer with American Ballet Theater since 1953, and for his frequent appearances with the Royal Danish Ballet.

Although he retired from leading ballet roles in 1972, he returned to the stage two years later, after surgery for ulcers, to resume his career in character parts.

Mr. Bruhn was the quintessential product of the Danish ballet tradition, which claims a pure and elegant lineage from the Franco-Russian school of the 19th century through its most famous director, August Bournonville. Mr. Bruhn helped perpetuate that tradition by his example as a dancer and his work as a choreographer.

Mr. Bruhn was valued more as an epitome of manly elegance and for the sensitivity of his acting than as a virtuoso technician. As a partner he was grave and deferential, yet he never subsided meekly into the background. And as a poetic actor, he lifted male leading roles in the classic ballets to a new prominence.

"I knew Erik Bruhn as a man always generous of spirit and willing to share without reservation his deep knowledge and unique and invaluable stage experience," recalled Mikhail Baryshnikov, director of the Ballet Theater, on hearing of Mr. Bruhn's death. "He was indisputably one of the greatest dancers we have ever seen, and his dignity and style have been a model to us all, which can not be replaced."

"It was really Erik who gave us a sense of the world's possibilities for a dancer," wrote a younger Danish dancer, Peter Martins, who is now director of the New York City Ballet, in an autobiography, "Far from Denmark." "He was our first dancer who achieved a huge international reputation."

Mr. Bruhn's roles with Ballet Theater — and with nearly every great ballet company throughout the world — included the leading male parts in such works as "Swan Lake," "The Sleeping Beauty," "Giselle," "Le Spectre de la Rose," "La Sylphide," Frederick Ashton's "Romeo and Juliet" and many more.

He partnered the great ballerinas of his time, but is perhaps best remembered for his work with the Italian dancer Carla Fracci, whose fragile mimetic gifts so evocatively complemented his own. "She was not a Bournonville sylph," he once said. "But she was really the one who set a standard."

Mr. Bruhn became director of the Royal Swedish Ballet in 1967, at the height of his dancing career, and continued to choreograph after his short-lived retirement in 1972.

John Ciardi, 69, U.S. Poet, Professor

NEW YORK (NYT) — John Anthony Ciardi, 69, the poet and professor who was internationally acclaimed for his translation of Dante's "Inferno," died Sunday at a hospital in Edison, New Jersey, after suffering a heart attack.

The author of about 40 books of poetry and criticism including many volumes of children's verse, Mr. Ciardi taught for many years at Rutgers University in New Jersey and at Harvard in Massachusetts and served as poetry editor of the Saturday Review from 1956 to 1972.

An outspoken poet and critic known for his sharp and witty images, Mr. Ciardi won praise for his verses, which spoke honestly to children, and for the 1959 poetry textbook, "How Does a Poem Mean?

His many collections of poems for adults, which ranged from war verses to love lyrics and occasional flights of fancy, also met with favorable reactions from critics, who praised him for his honesty.

But it was for his translation of the "Inferno," first published in 1954 and still a familiar sight on college campuses, that Mr. Ciardi was perhaps best known.

Among his many books were "Other Skies," a 1947 collection praised for its stark images of World War II, "From Time to Time" and a poetry anthology, "Mid-Century American Poets." His children's books included "The Reason for the Pelican" and "Mummy Slept Late and Daddy Fixed Breakfast."

■ *Other deaths:*

Katsuji Kawamata, 81, former chairman of Nissan Motor Co., the second-largest Japanese automaker, Saturday in Tokyo, reportedly of a ruptured aneurysm.

Cass Canfield, 88, a leading book publisher associated with Harper & Row for more than 40 years, last Thursday.

O'Kelly Isley, 47, the rhythm and blues singer, who joined his siblings in The Isley Brothers to sell more than 12 million records including "Twist and Shout" and "Love The One You're With," Monday in Alpine, New Jersey, of a cerebral hemorrhage.

Jerry Paris, 60, a TV and movie director, whose latest film "Police Academy 3" is a success at the box office, of a brain tumor in Los Angeles Monday.

Virginia Gilmore, 66, who appeared in more than 40 films in the 1930s and 1940s, Friday of complications due to emphysema. She married Yul Brynner in 1944. They were divorced in 1960.

Harry Ritz, 78, the vaudeville star who for 35 years was leader of the Ritz Brothers comedy team, Saturday of pneumonia in San Diego.

UN Is Urged to Release Waldheim's Secret File

By Elaine Sciolino
New York Times Service

UNITED NATIONS, New York — Amid mounting evidence that Kurt Waldheim concealed his wartime past, Jewish organizations and New York legislators and officials have called on the United Nations to make public a secret file on the former secretary-general.

The file, numbered 79-724, according to a list found in the National Archives in Washington, is one of 40,000 files on war criminals, suspects and witnesses compiled by the UN War Crimes Commission between 1943 and 1948 and stored in archives.

In a letter to Secretary-General Javier Pérez de Cuéllar, the heads of four Jewish organizations asked Tuesday that he "make public to the proper investigative agencies all records concerning Kurt Waldheim's hidden past."

The letter called Mr. Waldheim, who is a candidate for the Austrian presidency, "a man without honor," and asked Mr. Pérez de Cuéllar to "strip the former Nazi of his United Nations benefits and other connections, bonds or honors which affiliate Mr. Waldheim with an organization to which he has no claim."

Senator Alphonse M. D'Amato, Republican of New York, has sent letters to both Mr. Pérez de Cuéllar and to Attorney General Edwin Meese 3d asking for the entire War Crimes Commission file to be opened.

"This is not a witch hunt," Mr. d'Amato wrote to Pérez de Cuéllar. "We seek the opening of the entire charge file archive for legitimate law enforcement purposes."

Similar appeals have been made by Elizabeth Holtzman, the former Democratic congresswoman who is now district attorney of Brooklyn, and Representative Theodore S. Weiss, a Democrat-Liberal of Manhattan.

The War Crimes Commission, a panel of representatives from 17 Allied nations, deposited its records with the United Nations for safekeeping when it was disbanded in 1948.

Under rules established by the commission, "the United Nations has not inherited the functions of the War Crimes Commission, and the Secretariat therefore cannot be called upon to reply to inquiries regarding persons charged or suspected of war crimes." The files "may be inspected and used only for official United Nations purposes," the rules said.

The United Nations has made public only three files: that on Adolf Eichmann to Israel, and those on Josef Mengele and Klaus Barbie to the United States. A request in 1981 by the Justice Department to gain blanket access to all 40,000 files was turned down as a "fishing expedition," according to a UN official.

UN officials have declined to say whether a file on Mr. Waldheim exists. But last week, a Yugoslav newspaper, Vecernje Novosti of Belgrade, published a facsimile of the first page of what it said was his file, numbered 79-724 and stamped with the seal of the War Crimes Commission. The number refers to the 724th person on the 79th list.

UPI

Kurt Waldheim

Only governments can request access to the files, and no government has requested access to Mr. Waldheim's file since revelations about his war record first came to light several weeks ago, according to the UN spokesman, François Giuliani.

Mr. Waldheim's file includes information submitted by the Yugoslav War Crimes Commission in 1948, accusing him of "putting hostages to death," according to a photocopy of a UN War Crimes Commission document published Friday in the Belgrade newspaper.

New Technology Aimed At Recording 'Pirates'

Compiled by Our Staff From Dispatches

WASHINGTON — A new electronic coding system could prevent consumers from reproducing copyrighted music, representatives of the recording industry have told Congress.

The new technology, called copy-coding, offers "a fair, simple, efficient marketplace mechanism to respond to the problem of home taping," Stanley M. Gortikov, president of the Recording Industry Association of America, told the Senate Judiciary subcommittee on patents, copyrights and trademarks last week.

But opponents argued that the technology was another attempt by the recording industry to increase its profits at the expense of consumers.

The coding technology would not affect existing audio recorders, which still would be able to copy all records, tapes and compact disks.

At the subcommittee hearing, Donald S. McCoy of the CBS Technology Center of Stamford, Connecticut, played an encoded record from which a narrow range of high-frequency sound beyond the highest notes of any musical instrument had been removed. The change was inaudible to listeners.

Mr. McCoy then used a tape recorder containing a semiconductor chip "decoder" that scans an encoded record, finds the "notch" of missing sound and creates repeated 25-second blank spots on the tape.

Senator Charles McC. Mathias Jr., a Republican of Maryland and subcommittee chairman, said this technology would enable record companies to "distribute a copyable recordings for the home taping enthusiast and offer others a less expensive uncopyable version."

Under his proposal, manufacturers would be given the choice of paying a small royalty to the recording industry on their taping equipment or avoiding the royalty by including a decoder.

The microchips would cost less than $1 each to produce and would increase the manufacturer's price by $5 or $6.

Mr. McCoy said the decoders would be available for mass production "in the next couple of months."

The bill specifies a royalty of 5 percent of the manufacturer's price for audio recording devices, 25 percent of the price of two-tape recorders and one cent per minute of a tape machine's maximum playing time.

There was no estimate of how much extra a consumer was likely to pay for a new tape machine that did not include a decoder.

Mr. Mathias said: "I cannot help but be intrigued by a technological solution to the home taping problem."

Others objected to the proposal. "Home taping is legal," said Charles D. Ferris, who represents the Audio Recording Rights Coalition. "There is no case, no legislative history, nor any other statement — other than by the recording industry — to the contrary."

A coalition of manufacturers and retailers of cassette recorders and tapes said the technology would drive up the cost not only of audio recorders but of records, tapes and compact disks.

They said the result would be "another kind of tax, levied technologically."

(LAT, AP)

Israeli Cultural Groups View 'Dallas' but See a Different Show

By Thomas L. Friedman
New York Times Service

JERUSALEM — Israeli Arabs refused to watch it in mixed company, while kibbutzniks loved it, saying it reminded them of life in their own collective family.

Moroccan Jews were appalled by some of the scandalous behavior in it. Soviet Jews said they were disgusted by its capitalist themes and insisted there must be a hidden message.

The "it" in question was the U.S. television series "Dallas." The Moroccans, Arabs, kibbutz members and Russians were asked to watch the show as part of an experiment conducted by a Hebrew University researcher trying to determine how different cultural groups "decode" American television programs.

The experiment forms the core of a doctoral thesis in communications being presented at Hebrew University by the researcher, Tamar Liebes. It relates to a larger debate about the question of so-called American cultural imperialism — the extent to which American programs, art, culture and other values are exported and overwhelm those of foreign countries.

Much of the debate, Miss Liebes said, has been based on the assumption that the quintessentially "American" message in any television program is perceived and absorbed by each foreign audience in the same way.

What Miss Liebes set out to prove was that foreign audiences are not merely blank slates upon which are etched the underlying message of American television programs. To the contrary, she said, viewing of American programs by foreigners tends to take place in homes in the company of family and friends, who together determine how a show is understood.

"It is through these collective understandings that the messages of the media enter into a culture," Miss Liebes said. "There is always a process of 'negotiation' between the story and the foreign viewer. That process depends on the viewer's values and where he or she is watching. The message that ultimately gets through differs from culture to culture and viewer to viewer."

Working with Elihu Katz, a specialist in communications at Hebrew University, Miss Liebes set out to test the theory, which is the basis of a budding new branch of communications doctrine, in the context of Israeli society.

Israel seemed an ideal setting because its population forms a widely diverse cultural mosaic and because "Dallas" was hugely popular three years ago.

To test the theories on just how American films and television programs cross cultural and linguistic frontiers, Miss Liebes organized 50 small groups of three Israeli couples each. The couples were either family or friends, and each group was made up from one of four different groups: Israeli Arabs, Moroccan Jewish immigrants, kibbutz members or new Russian Jewish immigrants.

"One Russian man commented after watching a 'Dallas' episode, 'They want us to think the rich are unhappy so we average people will feel more content.'"

— Tamar Liebes, an Israeli researcher

A trained interviewer was assigned to each group to stimulate a discussion and to tape their conversations. The transcripts then were compared with that of an American "control" group going through the same process in Los Angeles.

What was striking, Miss Liebes found, was how differently the various cultural groups reacted to "Dallas" and how differently they evaluated and understood the television series.

The Russian Jewish immigrants who watched it, she said, were much more critical of the characters and suspicious of the underlying message than the other groups.

Unlike American audiences, the Russians rarely fantasized about what they would do in the place of one of the characters. Miss Liebes said they distanced themselves from the action and never related to it personally. They tended to see the actors' behavior in deterministic modes, Miss Liebes said, often contending that "businessmen have to behave that way."

Actually, she said, the Russians' first reaction often was to deny ever having watched the show, even though it quickly became clear that they had. Once beyond that, the Russians always looked for a hidden message.

"One Russian man commented after watching a 'Dallas' episode, 'They want us to think the rich are unhappy so we average people will feel more content,'" Miss Liebes said.

Of all the viewing groups, she added, the Russians were the only ones who seemed to pay attention to the credits to see who the producers were.

"They always wanted to know who was the power behind the show," she said.

In contrast Israeli Arabs tended to take the show much more as a realistic snapshot of American society and the modern world, where a person apparently has to be as evil as J.R. Ewing to succeed.

"They saw the show as a threat and tended to react by saying that 'such things don't happen in Arab society,'" Miss Liebes said. "They did not want to watch it in mixed company."

Often the discrepancy between the show's values and traditional Arab values was too much, and the Arabs imposed a kind of unconscious censorship, she found.

In one episode, Sue Ellen Ewing leaves her husband, J.R., to live with her lover and his father. When one Arab group was asked where Sue Ellen had gone, one member said she had gone "to live with her father." The others agreed, censoring the fact that she had left her husband to live with her lover.

The Moroccans, who are somewhat in transition in Israel between a traditional and modern society, also saw the show as reality and tended to put up boundaries between them and it.

Of all the viewing groups, Israeli-born kibbutzniks reacted the most like Americans, relating to the show in a totally playful manner, as a source for fantasy. They joked about whether J.R. would be accepted if he applied to the kibbutz for membership.

International Herald Tribune
Published With The New York Times and The Washington Post

Reversing Capital Flight

Capital flight is the enemy of any developing country's economic progress. It means the removal of wealth, legally or otherwise, from the country in which its owner lives to other and safer places. Measuring this outflow is difficult, but the current issue of World Financial Markets, a monthly publication of the Morgan Guaranty Trust Company, provides a highly interesting estimate of the extent to which capital flight has contributed to the developing countries' debts.

In the past decade, the bank's economists calculate, the debts of 18 countries in Latin America, Asia and Africa increased by $451 billion. Of that, $198 billion represented capital flight. The authors note the many statistical distortions that can affect these figures. They point out that they are using a very broad definition of flight. However, even if these figures are not entirely precise, the general order of magnitude seems quite reliable.

Patterns vary greatly from one country to another. Argentina's foreign debt is now $50 billion; without capital flight, the authors calculate, it would be perhaps $1 billion. The country borrowed to allow wealthy Argentines to change their pesos into dollars and sterling, and over the years the size of those borrowings has been swollen by the interest charges.

Brazil is quite different. Of its huge debt, now about $106 billion, only $14 billion represents capital flight. Most of Brazil's loans have been invested in Brazil, which helps explain why Brazil is having less trouble than some of its neighbors. But Mexico's debt, currently around $97 billion, would be only $12 billion without the past decade's capital flight. Nearly all of South Africa's $24 billion in foreign debt is similarly the result of capital flight.

The removal of these billions from developing economies has deprived them of investment that they need to keep growing. As the Morgan Guaranty authors point out, any policy to manage these countries' debts will have to deal with this phenomenon. There is not much point in making new loans to indebted countries if, instead of building productive enterprises in Latin America, the money goes into private accounts in Miami and New York.

Reversing this outflow is the healthiest and most direct way to alleviate the debts of these countries. Every dollar that goes home is a dollar off the foreign debt. There have been signs of repatriation in several countries, including Argentina. Success depends not only on economic policy but particularly on political atmosphere. So the promise of stability, and an open door to international investment, are now crucial in reducing the debts.

— THE WASHINGTON POST.

A Windfall for OPEC?

Look who's offering aid and comfort to OPEC. John Herrington, the U.S. secretary of energy, warns Saudi Arabia that its failure to shore up oil prices will have "political implications." And Vice President George Bush will visit Saudi Arabia to ask it to cut production.

Perhaps the Reagan administration seeks only to rescue friends in the domestic oil business. A more generous interpretation is that it is worried about the long-term effect of unstable oil prices on domestic production and consumption. The pleasure of $10-a-barrel oil now could lead to the pain of $50 oil in a decade. The administration senses the disease but prescribes the wrong medicine. Why pay more to OPEC when Americans could do as much by paying more to themselves?

Lower oil prices are a shot in the arm to consuming nations. Lower prices are cooling inflation in the industrialized economies, allowing interest rates to fall and stimulating investment. Poor countries get the double benefit of lower bills for imported fuel and lower interest charges on foreign debt. The catch is that depressed oil prices encourage consumption and discourage production. When the glut subsides in the 1990s, a handful of big exporters in the Gulf region will regain control over the world economy. Once again the world's poor will freeze in their beds or go without cooking fuel so that Saudi princes and Indonesian politicians can winter in Ibiza.

For Secretary Herrington, the way to avert this fate is to keep the price of oil from slipping below unsustainable levels. But that would funnel billions to foreign oil producers.

There are other ways to encourage production and discourage consumption, without such a windfall for OPEC — for example, taxing imported fuel. If the United States fears the effect of cheap oil on friendly producers like Mexico, Peru and Nigeria, it could always offer them foreign aid. Better yet, it could help them by directly purchasing their oil for the U.S. strategic petroleum reserve.

— THE NEW YORK TIMES.

A Message for Pinochet

Secretary of State George Shultz now puts Chile on the list of "odd men out," the surviving dictatorships — Paraguay, Cuba and Nicaragua are the others on his list — in a hemisphere otherwise moving briskly toward democracy. It is the latest in a nearly three-year series of nudges meant to convey official U.S. displeasure with President Augusto Pinochet's style of military rule.

Unfortunately, the nudges are necessary. In 1973 General Pinochet ousted an elected president who had brought Chile to civil war by attempting to push a radical program far beyond the bounds that his narrow mandate (36 percent) could sustain. General Pinochet, who is 70, has fashioned a system that now bids to keep him in power for almost a full quarter-century. Under his painfully undemocratic constitution of 1980, he can have himself elected, in a plebiscite without party competition, for a term that would last, if he did, until 1997.

This prospect stirs two different groups of Chileans. Leftists see a continuing dictatorship as an opportunity to get back into revolutionary struggle. Centrists see it as a deadly obstacle to Chile's return to democracy. President Pinochet, in the name of resisting the violent Communist left, restrains and oppresses the center. The left profits.

For a while after taking office, President Reagan experimented with soft gestures and quiet persuasion. The results were disappointing, and he has turned to public criticism of the regime's continuing abuses and to open encouragement of an accelerated return to democracy. In practical terms that means legalizing the nonviolent parties and holding real elections under a formula other than the one by which President Pinochet flouts Chile's established democratic traditions now.

The Reagan administration had this policy in train before the changes in Haiti and the Philippines made people aware of the possibilities and benefits of a conservative administration's efforts to democratize right-wing regimes. Recently it added a rhetorical flourish to this policy with a brief but eye-catching pledge to "oppose tyranny in whatever form, whether of the left or the right."

Chile is the right country for careful U.S. concern. The United States had at least an indirect hand in the tragedy that befell it in the 1970s, and Washington still has influence in the 1980s. U.S. favor and acceptance can be put to good use as inducements for Chile's return to the democratic path. It is the smart way to fight communism, too.

— THE WASHINGTON POST.

Other Opinion

A Change of Plan in Bangladesh

So several major opposition parties are to take part in President Ershad's general election — now penciled in for early next month. Martial law has, in return, been wound down a bit. Military courts surrender their civil jurisdiction and regional martial law administrators return to the barracks. The puppet party, Jatiya, created last year by Lieutenant General Hussain Mohammed Ershad, military ruler of 98 million of the poorest people in the world, as part of his plan to ease the country toward heavily guided democracy, has been shoved onto the back burner. A minimal respect for democratic niceties is the order of the day.

General Ershad has proved an unexpectedly fast and flexible learner. This year's election is almost certainly not going to follow the farcical route of last year's referendum. With luck it will be reasonably honest and it will feature a reasonable array of candidates. If more opposition parties relax their boycott — and if the president's team can keep their sticky fingers out of the ballot boxes — Bangladesh may emerge with a government which begins to reflect the realities of power and popularity.

— The Guardian (London).

FROM OUR APRIL 3 PAGES, 75 AND 50 YEARS AGO

1911: Sultan's Forces Repelled at Fez

TANGIER — News has just reached here that the Berbers, a warlike tribe in the north of Morocco, have appeared before the gates of the capital, Fez. The Sultan ordered out every available soldier and gun, but the Berbers have driven back the troops with heavy losses. The French instructors who accompanied the forces succeeded in saving the guns. A courier sent by the French Consul in Fez has arrived with news that the Europeans are in danger. The French police are leaving Tangier for Fez, to the amazement of the inhabitants, who were under the impression that the police were enlisted solely for the defence of Tangier. The Sultan's brother, Moulai Ismael, has been proclaimed Sultan by the Berbers in Meknes, one of the most fanatical cities in Morocco.

1936: Where Is the Money for War?

PARIS — [A reader writes:] "While all this war talk is going on as if it meant only a Saturday to Monday jaunt into the country, do you suppose it would be possible to induce some of these statesmen to take time off for five minutes to explain where the money is coming from to pay for war? Talk is cheap but it takes money to buy whisky. If it is true that all this worldwide depression is on the level, that the debtor nations are so poor they cannot even pay the interest on their debts incurred in the last war, who will put up the money? Some of our own politicians might also explain how it is possible for the government to spend billions to save the good old country that never was in need of saving, except from about 75 percent of the same politicians."

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Why Continue Testing Nuclear Weapons?

By Tom Wicker

NEW YORK — Would the United States, the Soviet Union and the whole world be better off today if the two superpowers had agreed to stop nuclear testing 20 years or more ago — an agreement that both pledged themselves to seek in the Limited Test Ban and Nuclear Nonproliferation treaties?

You bet they would be better off, despite the specious argument of the Reagan administration and others that nuclear war is bad but nuclear weapons testing has been and might still be good. Had the superpowers banned their own nuclear explosions long ago, for one thing, other nations would be less tempted to develop these weapons.

Forget the recently devised propaganda claim that America needs to keep testing in order to make sure that its warheads remain reliable. The United States has never conducted a statistically significant number of explosive proof tests, and nonexplosive means of testing weapons reliability have long been considered sufficient.

The real arguments behind this smoke screen are that nuclear testing in the past has produced lower-yield warheads, as well as safety devices that prevent unauthorized use of nuclear weapons; and that nuclear testing in the future might develop the nuclear-powered X-ray laser needed for a "star wars" anti-missile defense.

The first point is indefensible. Safety devices need not be and usually have not been part of warheads; they can be installed in the launching system and do not depend on explosive nuclear testing for their development or improvement. And while it is true that testing has resulted in lower-yield warheads, these improved devices actually make first-strike weapons possible.

Since the limited test ban treaty of 1963, 28 new types of nuclear warheads have been developed. All required explosive testing. MIRVed missiles — those with multiple, independently targeted warheads — could not have been developed and deployed had all nuclear testing been halted in 1963 or thereabouts; the necessary types of warheads were not then available.

MIRVs threaten stability in two ways. They mean that an enemy can launch more warheads on *fewer* missiles; but each of his MIRVed missiles, and each of yours, is a more tempting target, bearing more warheads that could be destroyed in a first strike.

The newer low-yield warheads also may be more accurately aimed. Such a warhead might blow up only part rather than all of New York, but increased accuracy means that the warhead is more likely to be launched, because it can be aimed at a specific military target; and each side therefore has to worry more that the other might try, with such accurate warheads, to destroy its retaliatory missiles with a first strike. This "counterforce capability" would not exist had nuclear testing been halted two decades ago.

As for the X-ray laser, not only could it be a threatening offensive weapon even if developed for strategic defense; but if the necessary nuclear explosive devices are not deployed in space, as some administration officials have promised they will not be, the laser would be of limited effectiveness for missile defense.

Besides, if you don't need the defense, you don't need the X-ray laser for it. To claim the need for nuclear tests so as to develop such a device is to argue for testing in pursuit of a strategic defense that may not work, will cost $300 billion or more, threatens a defensive as well as an expanded offensive arms race and for which no one has conclusively shown the need.

Actually, continued nuclear testing can have no purpose other than to develop more, "improved" nuclear weapons. Yet such weapons are needed not to improve deterrence but only if one side or the other seeks decisive superiority, which the history of the arms race shows to be a costly and dangerous illusion; or pursues an enhanced "war-fighting" capacity — the supposed ability to fight and win a limited nuclear war.

But no matter how "surgical" or "clean" the weapons that one side might launch in an effort at limited war, there would be no guarantee that the responding weapons would not be more destructive, and no way to stop the nuclear escalation that strategic experts on both sides believe would follow. Continued testing only makes that terrible scenario more likely to become reality.

The New York Times.

The Utopian Approach Is Bad for Arms Control

By William Pfaff

PARIS — The latest exchanges between Mikhail Gorbachev and Ronald Reagan, on the total ban of nuclear tests, reflect the extent to which the debate on arms control now has been displaced from the practical level to the utopian. It is becoming merely one more arena for propaganda competition.

One reason for this is the fundamental shift that has taken place in the U.S. approach to arms control.

As developed at Harvard, the Massachusetts Institute of Technology, the Rand Corporation and the Institute for Strategic Studies in the 1950s and early 1960s, American arms policy held that safety rests on the mutual vulnerability of the United States and the Soviet Union.

Vulnerability made the strategic use of nuclear weapons an unacceptable option. It put pressure on both sides not even to use these weapons tactically, because of the risk of escalation to a strategic exchange. Deterrence, as well as the control of nuclear war, thus rested on the possession by the United States and the Soviet Union — and increasingly by France and Britain — of secure, submarine-based, strategic forces, holding the other side to risk. The nuclear option remained too dangerous for leaders seriously to contemplate its use.

A second way to deal with the threat of nuclear war, however, is to look for a decisive advantage over the other side that puts it unilaterally at risk. In the past there were theories of unilateral advantage, where a disarming strike might be carried out and forces would be retained that were so overwhelming that the other side would be deterred from reprisal with whatever nuclear weapons it had left.

No one seriously believed in these ideas, or at least wished to try them out, so deterrence continued to rest upon the recognition of shared vulnerability. Arms control negotiators attempted, with some success, to maintain, limit and structure this vulnerability in constructive ways.

With President Reagan's Strategic Defense Initiative, the idea of deterrence through invulnerability has been reintroduced into the strategic equation. The SDI is presented by the administration as a way to make the West invulnerable. No one would be hurt by a Soviet nuclear attack. The enemy missiles would be zapped from the sky.

Mr. Reagan has proposed that the technology be given to the Soviet Union. Others in his government have denied that this would or could be done. Political realities suggest that they are correct.

The old system, mutual vulnerability reinforced in arms control agreements, appealed to the theorists but was and remains politically unsettling. Defense intellectuals liked it; people and politicians did not. As the condition of vulnerability has nonetheless been the unavoidable reality of international life, it provided the basis upon which the SALT treaties could be negotiated. With the SDI, a new stage has been entered in which the United States tacitly looks for a decisive advantage over the Soviet Union, even if only a defensive one.

This is a crucial change of policy. Yet as Thomas C. Schelling, one of the pioneers of American strategic and arms control theory, writes in the winter issue of Foreign Affairs: "Nobody seriously believes that either side's capacity to retaliate after receiving a nuclear attack is, or is going to be, in sufficient doubt to make pre-emption a preferred choice in any imaginable crisis."

No responsible person believes that the SDI will produce invulnerability. At best it will introduce an element of defense into the nuclear balance, further complicating it. What the SDI does do is to change America's perception of its actual and potential vulnerability.

The control of nuclear weapons is not the control of war. It is imaginable that the world could go on for another 40 years possessing immense numbers of nuclear weapons which no one thinks it profitable to use. It is unimaginable, however, that we will be without war or the risk of war, any more than the last 40 years have been without war.

The ominous thing about the SDI is that it reintroduces utopian thinking about war and peace into exactly that aspect of the East-West relationship where a modest measure of rational accommodation to risk has for years informed policy on both sides. It invites just the kind of absolutist and utopian response that Mr. Gorbachev now offers — a Soviet version of the false solution to a false problem: that of total peace for a world depicted as at total risk. It becomes harder than ever to talk about the real problem, which is that of consolidating and preserving a partial peace — less than perfect, but the one we have now, and the best we are likely to find.

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Measures to Defuse the Indian Ocean and the Gulf

By Selig S. Harrison

An Indo-American Task Force on the Indian Ocean, a group of 12 leading Indian and American specialists, has presented provocative recommendations for a reduction of Soviet-American tensions in the region of the Indian Ocean and the Gulf. This first of two reports discusses those recommendations and provides candid, verbatim selections from the group's tape-recorded dialogue on Afghanistan.

The task force was co-sponsored by the Carnegie Endowment for International Peace, in Washington, and the Institute for Defense Studies and Analyses, in New Delhi. Mr. Harrison, a senior associate of the endowment, was convener of the American delegation, which included Gary Sick, a former specialist on Gulf affairs in the National Security Council. The Indian delegation was headed by K. Subrahmanyam, former chairman of the Joint Intelligence Committee of the Indian government, and included Vice Admiral M.P. Awati, who was commander of the Western Fleet of the Indian navy until 1984.

WASHINGTON — Is nuclear arms control possible at the global level while Soviet-American tensions continue to escalate in critical regions of the world? Calling for a broadened superpower dialogue, the Indo-American Task Force on the Indian Ocean has warned that the danger of a military confrontation is growing in the most explosive theater of Soviet-American rivalry: the Indian Ocean and Gulf regions, where both sides have been engaged in a massive buildup of forces and bases for more than a decade.

The United States perceives a multifaceted Soviet threat in this region to access to Gulf petroleum supplies. The U.S.S.R., for its part, sees a potential strategic threat to its national territory from U.S. missile-firing submarines and from a nuclear-equipped U.S. carrier battle group that is now stationed regularly in the Arabian Sea.

Until recently, U.S. contingency plans in the region were focused primarily on a Soviet invasion of Iran. But as the war in Afghanistan has intensified and as Soviet pressure on Pakistan has increased, the multiservice U.S. Central Command has extended its 19-country "area of responsibility" to include Afghanistan and Pakistan. This increases the possibility of U.S. intervention on the Afghanistan-Pakistan border under the terms of the 1959 U.S.-Pakistan mutual security agreement.

The task force's report is a disturbing reminder that the risks of a direct Soviet-American conflict are greater on the Afghan border than in Angola, Nicaragua or Cambodia, where neither of the superpowers has committed its own combat forces. At the same time, the panel has suggested specific steps that the superpowers could take to reduce tensions in the Indian Ocean and Gulf region.

Several interrelated proposals urged support for the compromise Afghan settlement now being negotiated by United Nations mediators and for "mutual restraint" understandings in Iran and Pakistan in which Moscow and Washington would make "appropriate diplomatic efforts to reassure each other that neither will introduce combat forces or mutually threatening bases or facilities."

The task force recommended inclusion of Indian Ocean issues in the Geneva arms control dialogue, followed, when the global climate permits, by resumption of the regionally defined Indian Ocean arms control negotiations initiated in 1977 and 1978. Such a regional arms control dialogue would aim at "a freeze and subsequent reductions of military deployments and facilities in the region." However, the group ruled out negotiations on naval limitations alone, such as those in 1977 and 1978, given the Soviet occupation of Afghanistan.

Declaring that "larger trade-offs" would now be necessary involving Soviet land-based military potential and U.S. naval power, the group envisaged Soviet concessions relating to limitations on the development and use of military facilities in Afghanistan in exchange for a quid pro quo from the United States in the Indian Ocean.

Another key recommendation by the task force suggested that the concerned countries "should explore the possibility of agreements ensuring unimpeded oil tanker traffic through the Strait of Hormuz and other 'choke points.'"

□

During the task force's discussion of an Afghan settlement, an American member focused on the Soviet bases now being developed in Afghanistan, provoking an exchange concerning trade-offs:

American: At present, the Soviet bases in Afghanistan are being developed for use in the war against the resistance. They are not yet being developed as strategic bases, or as tactical bases in a way that threatens neighboring countries. But in this potential for the development of the bases there is a legitimate cause for concern. This concern ... clearly underlines the case made for a high-profile American presence in the Indian Ocean. So obviously one of the prerequisites for relaxing tensions in the region is an Afghan settlement that addresses this concern.

Indian: You are exaggerating the threat posed by the bases there ... After all, the Soviet Union has enough power to pose a threat to any neighboring country whether it has a base in Afghanistan or does not have it. They have their bases in their own territory in the Transcaucasus, and they don't need the ones in Afghanistan that much ...

American: If you could get agreements on the Afghan bases, that would diminish the problem, but it wouldn't eliminate it. By the same token, if you add Afghan bases to the others it would have an impact. Already this factor conditions the whole doctrine of the Central Command.

Indian: If you say that the Central Command has come into existence mainly because of Afghanistan, you are then accepting that Centcom itself is a trade-off. I am sure the Soviets would want some kind of significant reductions in the forces and infrastructural facilities of Centcom. Suppose you asked the Soviets whether they would agree not to expand their Afghan bases for use by strategic aircraft. If I were a Soviet, I would say, "Yes, provided you do not use your host nation facilities around the Persian Gulf for strategic aircraft."

American: Fair enough.

Indian: I would say, "Therefore, please ensure that Masirah Island [Oman] is not expanded to take in bombers." That is the kind of question that would arise. If the discussions between the superpowers are going to be like that, well and good ... I would go along totally with the approach that, if and when the U.S. bases are to be discussed, the bases in Afghanistan, which is outside the Soviet Union, have to be discussed. We don't have any problem in accepting that. Nor do we have any problem in saying that the Afghan solution finally will have to be on the basis of the Soviets getting out of Afghanistan.

American: If we are talking about trade-offs, it seems to me that the most logical quid pro quo for a withdrawal of Soviet forces and bases from Afghanistan would be a withdrawal of permanent deployment of the U.S. carrier battle group from the Arabian Sea. This wouldn't have to be done through a negotiated agreement, it could be done through the informal phasedown of military commitments and deployments on both sides.

The Diego Garcia base could be phased down in return for similar reductions by the Soviets at Aden, Dahlak and Socotra. The argument that Diego Garcia is useful for support action against Soviet-sponsored coups is highly questionable because it is simply too far from the scene of action.

Indian: The important thing is the development of Diego Garcia as a nuclear facility. That is what concerns the littoral states ...

American: I don't think we are qualified to get into such specifics. All we can and should do is agree that tensions in the region can jointly be reduced through land-sea trade-offs.

Indian: How can we talk about the Afghan bases specifically, but then fail to talk in specifics about what the American quid pro quos might be?

International Herald Tribune.

Posturing Doesn't Do The Trick

By Philip Geyelin

WASHINGTON — During the Easter holidays President Reagan savored his twin triumphs over Moamer Qadhafi and Senate opponents of his $100-million aid program for the Nicaraguan "contras." He had struck a fine blow against the arch-terrorists everybody loves to hate. He had made the most of a Sandinist border crossing into Honduras to prove his claim of the expansionist aims of the Marxist-Leninists in Managua. Almost everybody said that Ronald Reagan was on a roll.

"The president's position has never been stronger," said the chief White House speech writer, Bently Elliott, as quoted in a Wall Street Journal roundup of reaction under the headline, "President Tightens Already Firm Control Over the National Agenda." Even Democrats agreed. "The priorities in this town are Reagan's," said Horace Busby, a longtime Lyndon Johnson associate.

It was left to the president's own conservative followers to raise the right question: So what if the president controls the "agenda," commands massive political capital and holds the high ground in opinion polls? As the right-wing Washington Times reported, what leading conservatives wanted to know was what all this had to do with wiping out terrorism, containing communism, overthrowing the Sandinists.

"The most damning critique of the administration's foreign policy is that it is purely reactive," said Howard Phillips, chairman of the Conservative Caucus. "There is no overall administration plan." Gordon Jones, vice president of the Heritage Foundation, questioned the president's foreign policy attention span, arguing that it yields "an extremely inconsistent foreign policy, one that is difficult for the American people to understand and one that is difficult for [Mr. Reagan] to rally support for."

The president's conservative critics are drawing a crucial distinction between what it is that Ronald Reagan is in control of and what it is that the United States of America is in control of. When you lean way back and take the long view, what you see is Ronald Reagan responding to international offenses of his own picking and choosing, while the United States is in control of not all that much.

The shootout in the Gulf of Sidra is no more likely to cow Colonel Qadhafi than did a similar incident in 1981, when two Libyan jets were shot down by the U.S. navy. Rather, it is more likely to incite than deter international terrorism, of which Libya is by no means the only source.

No far-out territorial claims offer so convenient an opportunity to "punish" Syria and Iran. Both are regularly cited by the administration as being at least as serious breeding grounds for anti-American terrorist groups as Libya. And these rabid splinter groups are by no means responsive to the discipline of any umbrella organization or government.

Thus, by inviting an opportunity to slap down Colonel Qadhafi, the administration has no more found an answer to the problem of international terrorism than the U.S. government has found an answer to, say, the problem of cyanide in pain relievers.

The Senate vote on contra aid speaks volumes about Mr. Reagan's command of the political process but says little about the U.S. capacity to cope with the Communist threat in Central America. Just as Mr. Reagan asserted rights of navigation in the Gulf of Sidra, so he will be successful in getting much of the money he wants for the Nicaraguan "freedom fighters" to carry on their struggle for 18 months. But by the time that money runs out he can only hope, at best, to have established how much more aid will be needed and in what form — more money or a more direct U.S. involvement — to achieve his goal of removing the Sandinist threat to Central American and U.S. security.

It is idle to assume that the Cubans and/or the Soviets will be doing nothing to reinforce the Sandinists. Cuba has already promised to match whatever military aid the contras get. At worst, the president may have to pay later in his own presidency for what is now perceived to be his towering control over his own domestic political condition. At best, he may make it through to the end of his second term with all of his considerable political assets and power intact.

In that event, the price for the illusion of solutions today will be paid by those who follow on and have to pick up the pieces of unfinished foreign policy business.

Washington Post Writers Group.

LETTER

Many Helped the Meos

Regarding "Contras: Reframing the Debate" (March 22) by William Pfaff:

Mr. Pfaff writes: "Of the quarter million Meos in 1962, 10,000 escaped to Thailand in 1975 ... Did any American care — except those officers who worked with them? Why should the contras be different?"

Many Americans care. Many Americans did volunteer work in the Meo refugee camps in northern Thailand — work that is uncomfortable and sometimes dangerous. Many groups in America assisted Meos to relocate in the United States. The governor and people of Iowa gave special aid to resettle refugees from Laos, even arranging charter flights directly from Thailand to Iowa.

And I can think of three Americans who lived in Laos before 1975 (but not as military officers) and gave substantial years of their lives to assist the Meos. Jerry Daniels, John Tucker and Mac Thompson are regarded as heroes by the Meo refugees in the United States for their efforts.

JIM ECKES.
Hong Kong.

SCIENCE

IN BRIEF

Researchers Devise Artificial Mouth

MINNEAPOLIS, Minnesota (NYT) — Scientists at the University of Minnesota School of Dentistry have built an artificial mouth to study the mechanics and chemistry of chewing.

The artificial mouth can simulate the forces that chewing exerts on a pair of teeth and their surrounding tissues. It also allows study of the teeth-grinding during sleep that is a problem for about one in five Americans. Jets for squirting fluid on the teeth allow the researchers to simulate different chemical environments. The scientists can subject natural tooth enamel or artificial materials to the equivalent of five years of chewing in just a few weeks.

The first studies are exploring the wear of two pieces of human enamel against each other, and of enamel against the materials used in tooth fillings and reconstructions.

Sensors Gives Clues to Birth Defects

SAN FRANCISCO (WP) — California scientists are gaining new insights into the birth process by attaching sensors to fetal lambs still inside the womb. The technique may provide strategies for correcting birth defects in human infants, says Dr. Abraham Rudolph of the University of California at San Francisco. About two weeks before birth, the uterus is opened and instruments — including small tubes in blood vessels, a tube down the throat and a device to cut off the umbilical cord — are attached to the fetus.

The work was announced at a recent meeting of the Western Society for Pediatric Research in Carmel, California. Among the findings so far: Reorganization of the circulatory system is triggered by rhythmic breathing, not by higher oxygen levels as had been thought. This may help doctors treat babies whose circulatory systems do not develop properly.

Shock Waves Used on Gallstones

BOSTON (AFP) — Shock waves, already used to disintegrate certain kidney stones, could also avoid about 500,000 gall bladder operations a year in the United States, scientists say here.

A report in the New England Journal of Medicine said work carried out in West Germany by Dr. Tilman Sauerbruch of Munich University had shown that the technique was also capable of pulverising certain gall bladder stones which could then be eliminated naturally without need for surgery. The report said the technique had been tested on 14 patients in West Germany and in 10 of the cases the stone had disappeared from the gall bladder or the gall duct.

Test Determines Bone Deficiency

NEW YORK (UPI) — Doctors say a new test to measure bone mass has been effective in determining who is susceptible to osteoporosis, the disease that weakens bones and sets the stage for fractures and spinal problems. "It is a low cost, effective test," said Dr. Martin P. Sandler, an endocrinologist at Vanderbilt University Medical Center in Nashville, Tennessee, who has conducted trials of the test for several years.

Women are more prone to osteoporosis than men, especially women past the age of menopause. The test uses a technique called dual-photon absorpitmetry in which both low doses of X-rays and gamma rays are beamed into a section of the vertebra, said Sandler. An image of the bone is created on a computer, which calculates the grams of bone mass per square centimeter of area, he said.

Vaccines Could Save Millions More

WASHINGTON (AP) — About 3.5 million children die yearly worldwide from diseases that could be prevented through immunization, but the number is declining, a health task force says. Dr. William Foege, executive director of the Task Force for Child Survival, told reporters that 30 years after polio vaccines became widely available, and with the price now at two cents a dose, about 5,000 children still are paralyzed by polio each week. About 10,000 children die each day around the world from preventable illness, he said.

The total figure of 3.5 million deaths is down from 5 million deaths only a few years ago, he said. And about 60 percent of all children have access to some vaccines. The World Health Organization has set a goal of providing access to vaccination for all the world's children by 1990, concentrating on six diseases — measles, tetanus, polio, whooping cough, diphtheria and tuberculosis.

Astronomy Findings Reveal Clues to Life of the Ancient Mayas

By William Stockton
New York Times Service

CHICHEN ITZA, Mexico — Eleven hundred years ago the massive pyramid of Kukulkan was built here by the Mesoamericans in a feat of ancient engineering. On one stairway, as the sun sets during the vernal and autumnal equinoxes, the shadow of a snake slithers along a balustrade and vanishes.

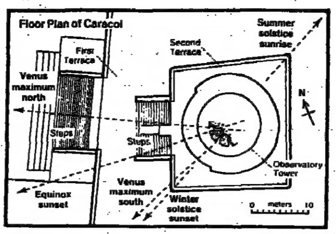
It takes only a little imagination to see that it is heading for the sacred *cenote*, or pool, where the ancient people made sacrificial offerings of precious possessions and, sometimes, people.

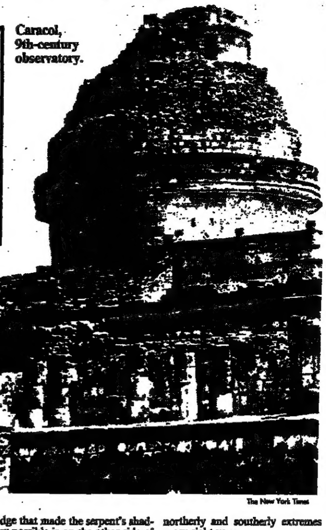
Archaeologists cannot agree on the meaning of the shadow, and the argument over it symbolizes the new research into the Mesoamericans' astronomical practices. Considerable advances have been made in the last decade, and astronomical studies have helped researchers in other disciplines to reinterpret the ancient Indians' culture.

"The new discoveries in the region in the future aren't going to be new tombs and new artifacts," predicted Dr. Anthony F. Aveni, professor of astronomy at Colgate University, who is one of the foremost authorities on the astronomy of the ancient races of Central America and Mexico. The new findings, he said, will be in "the processes that these peoples used, the ways they had of knowing and understanding and using what they saw in the heavens."

The sky was overcast all day at Chichen Itza on the first day of spring, and the 30,000 people who gathered before the Kukulkan pyramid waited in vain. Groups of American tourists and college students with their professors, and the natives of Yucatan, many of them descendants of the Mayas, left Chichen Itza disappointed. The sun didn't shine. The serpent didn't move.

No one knows if the failure of the shadow to appear on the day of the equinox would have caused problems for the ancient Mayan and Toltec priest-astronomers who lived here a millennium ago.

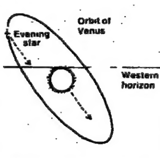




Caracol, 9th-century observatory.

The New York Times

Windows were placed so that an observer could tell where Venus would appear on horizon.



SOME scholars, such as Dr. Aveni, believe there is no evidence whatsoever to justify attaching importance to the shadow.

"Obviously, the shadow physically appeared," he said. "But if anyone noticed it, or if it had any meaning if they did, we have not one piece of evidence."

But to Dr. Johanna Broda of the National Autonomous University of Mexico, "Such things as the shadow were created by the priest rulers to evoke religious symbols in the contexts of religious beliefs." The shadow was an affirmation of the power of the ruling class and a reminder of their function as a go-between with the gods, she said.

Dr. Clemency Coggins, of the Peabody Museum at Harvard University, recently suggested in a paper that the shadow and pyramid were the core of a new ceremonial center established at Chichen Itza to mark the year 830 A. D.

This was the year, she suggested, when a major event in Mayan culture and a major event in the Toltec culture coincided. For the Mayas, it was the end of a major calendar period. For the Toltecs, it was the year for rekindling their fires, in a ritual repeated every 52 years. A captive was sacrificed and a new fire was kindled in his chest cavity, from which his heart had been torn by the priests. The aim was to prevent the sun from disappearing and darkness descending to eat man.

The ruling priests and warriors saw this date coming decades in advance and decided to mark it with a new ceremonial center. Dr. Coggins believes the pyramid was completed the year before so that the serpent's shadow would move down the stairway for the first time on March 21, 830, as part of a religious event of immense import.

Dr. Coggins' provocative hypothesis illustrates the new thinking opened up by the astronomers' findings and research by archaeologists, ethnohistorians and anthropologists.

DR. AVENI was one of the first astronomers who, armed with data on the configuration of the heavens in about 900 A. D., carried out sophisticated measurements, at such sites as Chichen Itza, of the physical orientation of Mayan temples. He and his co-workers discovered that many were constructed with specific astronomical functions.

These findings, and the archaeologists' deciphering of Mayan writings and mathematical texts, have produced evidence that the ancient peoples not only studied the sun and moon, but were experts on the movements of Venus, and possibly of Mars, Jupiter and Saturn and some of the major constellations. They could predict some celestial movements with an error of no more than half an hour per century.

The fountainhead of the knowledge that made the serpent's shadow possible is on the other side of Chichen Itza, at a building the Spaniards called El Caracol. In the mid-1970s, Dr. Aveni brought measuring devices here to study its orientation.

When he and his colleagues correlated their measurements with the positions of the planets in the ninth century, there remained little doubt that El Caracol was a sophisticated astronomical observatory, a calendar in stone, where the Mayan priests, using only their eyes, marked the heavens day by day with remarkable sophistication.

The evidence suggests the priests were particularly fascinated with Venus. Since they had no notion of the solar system's planets revolving around the sun, they were limited to what they could see.

They knew that Venus appeared and disappeared on the western and eastern horizons at different times in the year and that it took 584 days to complete one cycle. They also knew that five of these Venus cycles equaled eight solar years. Thus, Venus would appear at northerly and southerly extremes every eight years.

Dr. Aveni and his colleagues discovered that several aspects of El Caracol's alignment pointed to these southerly and northerly Venus extremes.

They also found sightlines along features of the building that pointed to the sun's horizon position at summer and winter solstice and the two times between May and August when the sun passes through the zenith directly overhead.

When a planetarium was used to create the sky as it would have appeared at the end of April in the year 1,000, the appearance of the constellation Pleiades in a tower window of El Caracol announced the sun's arrival at the zenith.

Of 29 possible astronomical events believed to be of interest to the Mesoamerican residents of Chichen Itza, sight lines for 20 could be found in the structure. Because part of the tower of El Caracol no longer exists, all the possible measurements will never be known.

Studies by Dr. Aveni and colleagues at other Mayan sites, such as Uxmal in Yucatan and Copan in a remote region of Honduras, have produced similar findings.

Venus, he said, played a role in all aspects of Mayan life, from predicting times to plant corn and the onset of the rainy season to war, death and religious affairs.

When the Spaniards conquered Mexico in the early 16th century, they found the Mayas had developed a hieroglyphic writing system and had books written on tree bark. The Spaniards, in an effort to stamp out the Indians' native religions, burned the books.

But four turned up in the following centuries, one of the most famous of which is the Dresden Codex, discovered in a library in that city in 1740.

This, in the hands of modern astronomers and archaeologists, has become the key to unraveling the Mayas' astronomy.

The codex was an almanac, or astrological handbook, probably used by the priests in their prophecies and divination. It illustrates the extent to which the aim of astronomy was astrology and ritual prediction, and it shows how the Mayans used special numbers to regulate this.

They were obsessed with 584, the number of days Venus appears to require to make an entire cycle of its appearances and the eight-year cycle related to the solar calendar.

THE Mayas had a sacred calendar based on 260 days, which they meshed with a daily solar calendar of 365 days. Using multiples of these numbers, they sought arithmetical unity by creating a mythological date for the birth of Venus 1,366,560 days before the starting date of the Venus table in the Dresden Codex.

This arithmetical unity was related to the observational unity in the heavens seen by the priests. They sought to relate these unities to the realities of daily life, to harmonize all aspects of their environment.

The Dresden Codex reveals that the Mayans were also interested in lunar eclipses, and from their careful recordkeeping devised a method of predicting them based on two dates, the passage of either 177 days or 148 days since the last eclipse. The method gave them an accuracy of about 50 percent.

Reducing the possibilities of a lunar eclipse to two numbers with such an accuracy was a remarkable feat.

"They did it in a period that coincides with the Western world's Dark Ages," Dr. Aveni said. "It was a feat equivalent to those of Newton or Einstein and for its time must have presented a great triumph over the forces of nature."

Qadhafi Reportedly Sought U.S. Talks

By David B. Ottaway
Washington Post Service

WASHINGTON — Colonel Moamer Qadhafi, the Libyan leader, sent two emissaries to Saudi Arabia in an apparent attempt to open a dialogue with Washington after the U.S.-Libyan confrontation last week in the Gulf of Sidra, U.S. officials said.

But the U.S. officials said Tuesday they had no intention of responding to the overture, made shortly before a visit to Saudi Arabia by Vice President George Bush.

Mr. Bush is scheduled to arrive in Saudi Arabia on Saturday.

The U.S. officials added that they have also rebuffed half a dozen other attempts by Libya to make contact with the United States through various European and Arab channels since the terrorist attacks Dec. 27 on the Rome and Vienna airports.

King Fahd of Saudi Arabia talked to Colonel Qadhafi by telephone the day after the first U.S. attack on Libyan military targets on March 24.

According to an administration source, Fahd subsequently told U.S. officials that the Libyan leader had appeared deeply affected by the American use of force against him.

Fahd, according to this source, described Colonel Qadhafi as "incomprehensible and disoriented" on the telephone.

Fahd and others who wanted to mediate were told firmly in January that the Reagan administration was not interested either in "a direct or indirect dialogue" with Colonel Qadhafi, according to the source.

The same message will be given to the Saudis again if the king brings up the issue during his talks with Mr. Bush, the official said.

Colonel Qadhafi sent two high-ranking envoys, Khuwailidi Humaidi, a member of the ruling Revolution Command Council, and Ali Abdel-Salem Treiki, a former Libyan foreign minister, to Riyadh three days after the first U.S. attack on Libyan military targets.

Fahd declined to see them but other high-ranking members of the royal family held talks with the two Libyans, according to a U.S. official.

The official said the administration expected that a "message" would be waiting for Mr. Bush upon his arrival in Saudi Arabia.

Mr. Bush is to visit Saudi Arabia on the first leg of a trip to the Gulf that will also take him to Bahrain, Oman and North Yemen.

The main purpose of his trip is to reaffirm a continuing American commitment to the countries of the Arabian peninsula after the latest military gains by Iran in its war against Iraq.

At a news conference Tuesday, Mr. Bush said he was ready to tell anyone who asked "how strongly we feel about Qadhafi, what a menace he is."

"Qadhafi has not changed his spots and it doesn't look to me like he's going to change them," Mr. Bush added.

■ U.S. Air Strikes Hailed

Bernard Gwertzman of the New York Times reported from Washington:

Prime Minister Shimon Peres of Israel said Tuesday that the U.S. military action against Libya was "a great move" that was "really necessary for the free world."

Mr. Peres said the United States should not be worried about criticism from other countries about its use of force.

"I'm sure," Mr. Peres said, "that before they made their anti-American speeches, they went to the churches and the mosques to thank heaven that the United States did something that they have needed, though they didn't admit they need it."

Mr. Peres, who was in Washington on a one-day unofficial visit between speaking engagements in New York, talked Tuesday morning with Mr. Bush in the White House.

After the meeting, Mr. Peres said he believed that because of the combat with the United States, Colonel Qadhafi might be more restrained.

He asserted that Colonel Qadhafi had in the past used Libya as a haven for terrorists "and was sure nobody would raise a finger of warning against him."

AP

Colonel Moamer Qadhafi

Terrorism, Weaker Dollar Keeping Americans Out of Europe, Mideast

(Continued from Page 1)

months, from August 1985 to February 1986 — following the hijackings of the TWA plane and the Achille Lauro cruise ship and other terrorist attacks — the figure dropped to 153,000.

Until the attacks, tourism from the United States had been running 25 percent ahead of the previous year and heading for a record. The TWA hijacking marked a turning point, officials said. In August, the number of Americans dropped 2 percent from the year before. By February it was down 41 percent from the level of a year ago.

The sinking dollar is not a factor in Israel because hotel and tour bills are payable in dollars and the dollar-shekel exchange rate has been stable since last summer.

Egypt

The tourism industry, Egypt's fourth-larg-est income producer, is in shambles, officials say. This is seen as a result of the recent sacking of hotels near the Great Pyramids by rioting police conscripts and the widespread perception after the Achille Lauro incident that Egypt was in complicity with the hijackers.

Previously, according to estimates by American diplomats, Egypt was earning about $1 billion a year from tourism. Now at least half that income has been lost, despite a more favorable exchange rate.

Italy

With Italian tourism officials alarmed at the decline in travel by Americans, the president of the hotel operators organization known as Faiat flew to the United States last week to reassure American tour operators.

Bonaventura Vaccarella, the director general of Faiat, said that hotel cancellations were running at more than 30 percent. "Unfortunately the percentage is destined to grow," he said. Usually Americans make up about 7.5 percent of Italy's 20 million visitors a year.

Compounding the problem is the increasingly less favorable exchange rate. Last spring, the dollar bought about 1,900 lire; now it buys only about 1,500.

France

A rash of recent department store bombings in Paris and other attacks have made tourists jittery.

One tourism official who declined to be quoted by name estimated that American tourism would be down 30 percent in France this year. Deluxe hotel business was down nearly 10 percent in December, but less-expensive hotels saw a small gain.

The exchange rate also has provided visitors a jolt, having gone from about 10 francs to the dollar last year to about seven now. As a result, a double room at the Hotel Crillon on the Place de la Concorde that cost $210 last year is now priced at $323.

Britain

Since World War II, Americans have been Britain's best travel customers and last year the number of American visitors topped three million for the first time, having reached two million only two years before. Fully half the Americans visiting Europe come to Britain.

But government officials foresee a 5-percent decline in American visitors this year, attributable to both fears of terrorism and the weakening of the dollar. Last year it cost $1.20 to buy £1; now it costs about $1.50.

Some British cruise operators are offering free flights and excursions to boost business, which suffered a 30-percent decline following the Achille Lauro hijacking.

Egypt Vetoed U.S. Plan to Raid Libya

(Continued from Page 1)

quest, the United States would step in to assist. Another scenario suggested that once in control of half of Libya, Egypt would have sufficient leverage to force Colonel Qadhafi out of power.

In another alternative, U.S. bombers and tactical fighters would strike major Libyan military installations before the Egyptian attack or in concert with it.

Despite Egyptian hostility toward Colonel Qadhafi, the sources said, some U.S. strategists believed that Arab solidarity likely would have prevailed, preventing Egypt's participation with the United States in any large-scale attack against an Arab neighbor unless Libya attacked first.

Ibrahim Nafeh, editor in chief of Al-Ahram, wrote on Monday that "the United States has attempted more than once to join in an action with Egypt against Libya." Mr. Nafeh, who is close to President Hosni Mubarak, cited three such attempts and said that Egypt had rejected the proposal each time.

Well-placed Reagan administration sources, however, said the Egyptian reaction was not outright rejection and that during the February meetings in Cairo a senior Defense Department planner reported positive results. The White House had no comment Tuesday.

There is apparent division in the Egyptian government about the U.S. plan, and one source said that Defense Minister Abdul-Halim Abu Ghazala, a defense attaché in Washington in the mid-1970s, was more inclined to listen, at least, to U.S. plans.

The seriousness with which the anti-Libyan planning was undertaken by the White House is illustrated by one written analysis about probable Soviet reaction to a military strike against Libya before Mr. Reagan's meeting with Mikhail S. Gorbachev, the Soviet leader, last November.

The analysis concluded that the Russians would keep their distance, and any U.S.-Egyptian move would not hurt the summit meeting in Geneva.

Qadhafi the Poet Reveals He Weeps Sometimes, Alone

Reuters

BONN — Colonel Moamer Qadhafi, the Libyan leader, admitted a passion for Beethoven and writing poems, in an interview with a West German magazine released Wednesday. He also said that he sometimes weeps when he is alone.

Questioned on his private life by a reporter for the weekly Bunte, Colonel Qadhafi named riding and hunting as his favorite pastimes but said he also liked classical music and reading.

He said that his favorite book was "Uncle Tom's Cabin," the 19th-century anti-slavery novel by the American author Harriet Beecher Stowe.

Colonel Qadhafi said he had often written poems and wrote two short stories last year with the titles "Flight to Hell" and "Death." "It happens sometimes that I weep," he said, "but only when I am completely alone."

The reporter, Stefanie Tiepelt, said she talked to Colonel Qadhafi last week in a Bedouin tent outside the town of Banghazi after waiting six days for an interview.

DOONESBURY

3 P.M. NYSE Most Actives

	Vol.	High	Low	Last	Chg.
WkHRs g	40978	25⅝	24⅞	25⅛	+ ¼
Sperry	31197	52	50½	51⅞	+1
BellSou	25606	55⅜	54⅝	55¼	
Mobil	19477	29⅝	28⅝	29½	+1
DetEd	17965	17⅛	16½	17⅛	— ⅛
IBM	15767	151⅛	148	150⅝	+1
ArchDn	14570	25⅝	25½	25⅝	—2⅜
PrimeC	14452	19⅝	19⅛	19⅝	+ ⅛
K mart	14017	44⅝	43⅛	44⅝	+ ¾
Exxon	12988	56½	55½	56¼	+ ⅝
William	12985	24	23	23⅞	+1
GMot	12909	84	81½	82⅝	— ⅞
AT&T	11858	22⅛	21⅞	22	
OcciPet	11040	25⅝	24⅛	25¼	+1⅛
AtlRich	10987	53⅝	52⅝	53⅛	+ ⅝

Dow Jones Bond Averages

	Prev. Close	Today Noon
Bonds	90.81	90.97
Utilities	91.77	92.10
Industrials	89.85	89.85

Dow Jones Averages

	Open	Previous High	Low	Close	Today 3 P.M.
Indus	1822.08	1829.02	1777.54	1790.11	1787.36
Trans	829.61	834.15	808.27	813.85	806.31
Util	194.24	195.27	190.40	191.32	190.55
Comp	718.97	722.18	701.65	706.17	703.57

Previous NYSE Diaries

	Close	Prev.
Advanced	644	853
Declined	1125	862
Unchanged	326	368
Total Issues	2095	2083
New Highs	220	232
New Lows	19	22
Volume up	27,065,640	
Volume down	123,139,580	

NYSE Index

	High	Previous Low	Close	Today 2 P.M.
Composite	137.83	135.66	135.86	135.60
Industrials	157.32	154.96	154.98	154.82
Transp.	131.68	128.61	128.61	127.31
Utilities	69.92	69.33	69.33	69.14
Finance	157.80	155.20	155.20	154.47

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
April 1	292,009	821,394	1,926
March 31	324,467	733,592	3,016
March 28	—	Clsd.	—
March 27	426,307	712,818	18,935
March 26	318,873	600,364	1,921

*Included in the sales figures

Wednesday's NYSE 3p.m.

Vol. at 3 P.M.	124,300,000
Prev. 3 P.M. vol.	141,630,000
Prev consolidated close	208,427,330

Via The Associated Press

Previous AMEX Diaries

	Close	Prev.
Advanced	238	300
Declined	398	323
Unchanged	221	236
Total Issues	857	859
New Highs	75	58
New Lows	18	14
Volume up	4,276,955	
Volume down	6,066,325	

Standard & Poor's Index

	High	Previous Low	Close	Today 2 P.M.
Industrials	263.66	258.65	259.37	259.27
Transp.	217.28	211.23	211.49	209.00
Utilities	105.68	104.19	104.34	104.05
Finance	31.07	30.28	30.31	30.18
Composite	239.10	234.57	235.14	234.83

NASDAQ Index

	Week Close	Year Noon	Ago	Ago
Composite	374.15	372.62	369.28	297.74
Industrials	374.35	372.87	370.91	296.85
Finance	501.45	—	490.31	331.90
Insurance	453.58	—	449.57	326.71
Utilities	338.05	—	339.78	271.49
Banks	402.68	—	396.96	265.30
Transp.	345.73	—	329.18	258.36

AMEX Sales

3 P.M. volume	8,830,000
Prev. 3 P.M. volume	12,080,000
Prev. cons. volume	14,090,000

3 P.M. AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	3618	18½	18⅛	18⅜	— ⅛
Wickes	2937	6	5⅞	6	
TotlPt g	2209	14⅝	13⅞	14	— ¾
BAT In	2211	6	5⅞	5⅞	— ⅛
DomeP	2137	1½	1⅜	1½	
DataPd	2043	15⅝	14⅝	15⅝	+ ¾
Halml	1793	4½	4	4⅛	+ ⅛
Dillrd s	1656	44¼	43½	43⅝	
WDigitl	1635	11½	10⅞	11	— ⅛
Hasbro	1541	48⅝	48⅛	48⅛	+ ⅛
LormT n	1535	25⅝	25½	25⅝	— ⅛
KeyPh	1282	17½	17¼	17⅜	— ⅛
TIE	1169	6¼	5⅞	6⅛	+ ⅛
TraBd pf	1164	6⅝	6⅛	6⅝	— ⅛
EchoB g	1141	15	14⅝	14⅞	+ ⅛

AMEX Stock Index

High	Previous Low	Close	Today 2 P.M.
270.34	266.62	267.43	n.a.

NYSE Eases in Active Trading

United Press International

NEW YORK — Prices on the New York Stock Exchange were lower in active trading Wednesday, pressured by a weaker bond market and higher oil prices.

The Dow Jones industrial average, which fell 28.50 to 1,790.11 Tuesday, was down 2.75 to 1,787.36 at 2 P.M.

The New York Stock Exchange index was down 0.26 to 135.60. The price of an average share was down 08 cents.

Volume two hours before the close was about 100.54 million shares.

Because of time-zone reasons, this article is based on the market at 2 P.M. New York time.

Jon Groveman, who heads equity trading at Ladenburg, Thalmann & Co., said weakness in bonds and rising crude oil futures prices have been giving the stock market jitters since Tuesday.

"Uncertainty about the short-term trend gives investors an excuse to take profits," Mr. Groveman said.

Weakness in the technology sector also made traders uncomfortable, he said. Prime Computer's announcement late Monday that it expects a 25-percent decline in first-quarter earnings surprised Wall Street, Mr. Groveman said.

Harry Villec of Sutro & Co. in San Francisco said that the market could work its way down to between 1,760 an 1,780 on the Dow Jones index. He said that a correction from current levels would be a normal development.

Hiram Walker Resources Ltd. was the most active NYSE-listed issue and was up. The liquor and oil giant plans to sell its distillery business to Britain's Allied-Lyons PLC in a complex transaction that would block an unsolicited takeover bid from Gulf Canada, company spokesmen and analysts said Tuesday.

Mobil followed and was rising.

Archer-Daniels-Midland was third, down slightly after several analysts lowered their earnings estimates for the company.

As May crude oil futures firmed, oil company stocks improved. Atlantic Richfield, Occidental Petroleum, Texaco and Exxon were up.

Continued profit-taking in the bond market pressured interest-rate sensitive telecommunications and utility issues. Bell South was off and Illinois Power was down.

Ashland Oil was lower. Its board approved the purchase of the Belzberg stake in the company for $51 a share and also approved the buyback of as much as 7.5 million common shares. Kentucky-based Ashland said it expects its second-quarter earnings to be up substantially from the year-ago period.

Among actively traded blue chips, General Motors was down, Eastman Kodak was up, Minnesota Mining & Manufacturing was off, and Navistar, formerly International Harvester, was down slightly. Merck and U.S. Steel were off.

After retreating Tuesday following Prime Computer's announcement that it expects lower first-quarter earnings, some computer sector issues were slightly firmer.

IBM was up after falling 2⅜ Tuesday, Burroughs was up after falling 1⅛ Tuesday and Prime Computer was rising.

To Our Readers

Because of the seven-hour time difference between New York and Paris until April 27, the New York and American stock exchange tables in this edition contain information from 3 P.M. New York time. Over-the-counter stock prices are from 2 P.M. New York time. Canadian stock prices, U.S. futures prices and some other items are from the previous day's trading.

We regret the inconvenience, which is necessary to meet distribution requirements. All editions will again carry closing prices and indexes after April 27, when daylight savings time begins in the United States.

(Continued on Page 8)

International Herald Tribune
BUSINESS/FINANCE
THURSDAY, APRIL 3, 1986

U.S. Stocks Report, Page 6

WALL STREET WATCH

Down Went Interest Rates; Up Went the Stock Market

By ERIC SCHMITT
New York Times Service

NEW YORK — The sharp decline in interest rates sent U.S. stock markets soaring in the first quarter, producing the biggest percentage gain for the Dow Jones industrial average in more than a decade. Of the 6,231 stocks tracked by Media General Financial Services, based in Richmond, Virginia, 4,324 were up for the quarter, 1,580 were down and 327 were unchanged.

Conversely, sinking oil prices hobbled the stocks of oil and natural gas producers as well as oil-field-service companies and equipment makers. For example, nine of the 10 poorest-performing companies on the New York Stock Exchange in the quarter ended Monday are heavily involved in oil.

> "The winners were clearly interest-sensitive companies," one analyst said.

Plunging interest rates helped push the Dow up more than 270 points during the quarter. The average closed Monday at 1,818.61, up 17.6 percent from 1,546.67 on Jan. 1, the biggest quarterly percentage gain since the first three months of 1975.

The American Stock Exchange market-value index closed on March 31 at 270.03, up 9.7 percent from 246.13 three months before. The Nasdaq composite index of over-the-counter issues rose 15.3 percent during the quarter, to 374.72, from 324.93.

"The winners were clearly interest-sensitive companies," said Steven G. Einhorn, co-chairman of the investment policy committee at Goldman, Sachs & Co.

He cited home builders, building material companies and makers of mobile homes as among the "stellar performers." Lower mortgage rates have set off a boom in the housing market in recent months.

And while the sharp drop in oil prices spelled disaster for the stocks of oil producers, drillers and banks with large energy portfolios, many other companies benefited, Mr. Einhorn said. Trucking companies and airlines, for instance, paid lower fuel bills and thus became more attractive issues.

Analysts said that the first-quarter performance was a continuation of the bullish pace of the fourth quarter of 1985.

ACCORDING TO John D. Connolly, investment strategist for Dean Witter Reynolds Inc., "The basic fundamental that's driven the market is still in place. Rates are still going down, and as long as rates go down, bond prices go up and stock prices go up."

"It's been a euphoric period for stocks in anticipation of improved corporate earnings," said William M. LeFevre, a market strategist at Purcell, Graham & Co. During the quarter, "there was a lot of program buying, with stocks becoming commodities and assuming an integral part of computerized arbitrage strategies."

Analysts said that they expected the buoyant mood to continue through April-June quarter, although many stocks might relinquish their place near the head of the pack.

"Our sense is that the economy, after a soft start, will improve as the year unfolds," Mr. Einhorn said. "There will be some changes in the relative industry rankings. It will be dominated by more industry-production cyclical stocks and less dominated by the home building and other interest-sensitive stocks."

Mr. Einhorn added that the "bull market expansion is not yet completed; there's no speculative aspect to this advance and a bull market advance won't end till then."

The charging market has pushed along strong companies and even swept up some in financial difficulty.

For instance, the NYSE's biggest gainer last quarter was L.E.

(Continued on Page 11, Col. 5)

Oil Prices Rebound Sharply

Traders Credit Bush Remarks

The Associated Press

NEW YORK — Oil prices in Europe and the United States rallied sharply Wednesday, and analysts credited a belief among buyers that the Reagan administration will pressure Saudi Arabia to help the depressed market by reducing output.

Prices for West Texas Intermediate, the main U.S. grade, hit $11.60 per 42-gallon barrel in early trading on the New York Mercantile Exchange, up from $11.27 at Tuesday's close. The price had fallen to $9.75 on Tuesday, its lowest level in more than eight years.

In Europe, prices for Britain's benchmark Brent crude from its North Sea fields jumped to $11 a barrel after falling to $9.70 on Tuesday, their lowest point since 1973.

The markets began their rally after Vice President George Bush announced Tuesday that he would tell the Saudi government on his upcoming Middle East trip that the slumping prices are hurting the U.S. oil industry.

Saudi Arabia is widely blamed for the current supply glut and depends heavily on Washington's strategic support.

"This is a major change for the Reagan administration," said William Randol, an analyst for First Boston Corp. "The policy has been that lower is better, period. Now they're starting to realize that the euphoria of lower oil prices is like a party followed by a hangover."

Peter Beutel, assistant manager of Rudolf Wolff Energy Inc., a New York commodities futures firm, said buyers rushed in toward the close of trading on Wednesday in the belief that Mr. Bush's trip will sway the Saudis into changing their policy.

The Reagan administration has credited falling oil prices with helping restrain inflation. But the U.S. oil industry has warned that cheap oil makes domestic production unprofitable and could lead to a return to dependence on foreign supplies.

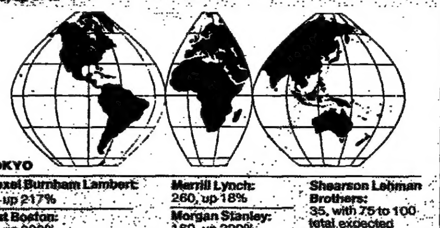
Oil prices have declined by about two-thirds since late November, reflecting an oversupply and the failure of producers to cooperate.

Securities Firms Build Manpower Abroad

Staffing at London and Tokyo offices of major Wall Street securities firms. Percentage increases represent changes from 1984.

LONDON

Drexel Burnham Lambert: 277, up 13%
First Boston, Credit Suisse First Boston: 620, up 24%
Goldman, Sachs: 300, up 87%
Merrill Lynch: 1,200, up 12%
Morgan Stanley: 460, up 53%
Salomon Brothers: 330, up 83%
Shearson Lehman Brothers: 800, when acquisition of L. Messel & Company finalized at end of April



TOKYO

Drexel Burnham Lambert: 19, up 217%
First Boston: 44, up 300%
Goldman, Sachs: 60, up 140%; 100 total expected within year
Merrill Lynch: 260, up 18%
Morgan Stanley: 160, up 220%
Salomon Brothers: 80, up 135%
Shearson Lehman Brothers: 35, with 75 to 100 total expected by year-end

The New York Times

Creating Global Financial Markets

Firms are Expanding as Far as Phone Lines Will Allow

By James Sterngold
New York Times Service

NEW YORK — Hardly a day passes now without one of the Wall Street giants opening a new office abroad, raiding top talent to beef up overseas operations or acquiring a foreign securities company.

The announcements mark the sharply increased pace of competition among investment banks and commercial banks in the burgeoning international arena. To mention but a few: Salomon Brothers recently said it would open a Frankfurt office; Shearson Lehman Brothers and Paine Webber hired top London merger specialists to bolster their European businesses, and Goldman, Sachs & Co. said it would grow from 60 to 100 staff members in Tokyo this year.

U.S. firms increasingly look upon New York as but one of three legs, including London and Tokyo, that will form the foundations for their future. Not only are American corporations increasingly raising capital abroad, but foreign governments also have been lowering barriers to the flow of capital in and out of their countries.

"Could the American market someday be just a region for us? That won't happen tomorrow but, yes, you certainly could find that that might be true," said Jerome P. Kenney, chief executive officer of Merrill Lynch Capital Markets, which is spearheading the international expansion of Merrill Lynch & Co., the largest U.S. securities firm.

"When you do a big deal, it isn't from Massachusetts to Illinois, you know," Mr. Kenney said. "It's all the way around the horn, to Tokyo and London." Merrill Lynch, in fact, has hired Michael von Clemm, the recently departed chairman of Credit Suisse First Boston and one of the founders of the Euromarket, the borderless capital market centered in London.

"Frankly, I don't think any of us could have believed a few years ago that the growth over there would be like this," said Alvin V. Shoemaker, chairman of First Boston Corp., which participates in London mostly through Credit Suisse First Boston, a joint venture that was the Euromarket's leading underwriter last year.

Ungainly terms such as "internationalization" and "globalization" have been securities-industry buzzwords for more than a decade, nebulous phrases about a future that many sensed would push the frontiers of Wall Street as far as telephone lines could stretch. The difference today is that such thoughts no longer come from starry-eyed

(Continued on Page 11, Col. 1)

Duty-Free Right For Third World Trimmed in U.S.

By Stuart Auerbach
Washington Post Service

WASHINGTON — President Ronald Reagan has removed duty-free import privileges from a wide range of products exported by emerging Third World nations as part of his policy to wean them from trade preferences as they gain economic strength.

In action to take effect July 1, he removed $839 million worth of goods from the duty-free list because they had accounted for more than half the U.S. imports of the product, and refused to reinstate another $2.4 billion in goods as part of his "graduation" policy.

The EC is preparing retaliatory actions for a possible trade war with the United States. Page 10.

Hardest hit were the Pacific Rim trade giants of Taiwan, Hong Kong, South Korea and Singapore, as well as Mexico, which is suffering from the twin economic shocks of heavy debt and tumbling oil prices.

In the measures announced Tuesday, those five nations lost duty-free privileges for $2.8 billion worth of products that had been granted under the Generalized System of Preferences, or GSP, a 10-year-old program to help Third World nations in their economic development.

"These changes reflect the dynamic nature of the U.S. GSP program," said Clayton K. Yeutter, the U.S. trade representative. "As the advanced beneficiary countries become competitive enough in particular products to compete in the U.S. market without GSP benefits, we are graduating their products from the program."

Developing countries, however, have opposed Mr. Reagan's program of graduation from GSP. They assert that, despite impressive economic performances in some areas, they remain underdeveloped and need the trade preferences to catch up with the industrialized world.

That argument has become increasingly hard to sell to Congress and the administration as many of the Third World recipients of GSP have piled up large trade surpluses with the United States, mostly in manufactured goods.

Twelve countries lost GSP privileges for products whose sales were so successful in the United States that they took more than half of all imports of those items. Those cuts, required by law, covered $839 million worth of imports. Taiwan and South Korea were the biggest losers, with $495 million in the products affected by the ruling.

As a result of having to pay duty after being removed from the list, some products lost their share of imports to the United States last year. Mr. Reagan decided against using his discretionary authority to reinstate those products to the GSP list. These amounted to $2.4 billion in imports.

Among the products that did not regain GSP were copper from Chile, Peru and Zambia, whose imports have been attacked by the battered U.S. industry.

Plant Output Falls by 1.1% In Germany

Reuters

BONN — West German industrial production fell a provisional 1.1 percent in February after rising 2.7 percent in January, the Economics Ministry reported Wednesday.

The ministry had originally reported that production rose a seasonally adjusted 2.4 percent in January compared with December.

The ministry attributed the February decline in part to the upward revision of the January figure. A statement also blamed "the unusually long duration of the severe frost period," adding that the February figure "is scarcely an accurate reflection of the production trend.

Construction output, which the ministry said is heavily influenced by weather, fell 18.5 percent from January. At the same time, gas and electricity production rose 4 percent, also because of the unusual cold, the statement said.

The production index, base 1980, fell to a provisional 103.7 in February from 104.9 in January. In December it stood at 102.1.

Production was 3.8 percent higher than in February 1985, when the index stood at 99.9.

Total industrial output slipped 0.5 percent in February after a strong 3.5-percent rise in January.

Taking January and February together, total industrial output rose 0.5 percent compared with the previous two months. Output rose 0.5 percent in the manufacturing sector during that period and by 2.5 percent in the mining sector, but building output fell 6 percent.

The ministry said total industrial production in January-February was 4 percent higher than in the same months of 1985, and manufacturing output showed a similar rise.

Within the manufacturing sector, capital goods producers saw the largest output increase, 6 percent.

Currency Rates

Cross Rates *April 2*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.4495	3.615	112.67 *	35.405 *	0.1488 *	—	5.520 *	128.37 *	148.69 y
Brussels(a)	48.335	70.98	20.4175	6.4478	3.003 *	18.1195	—	24.53	26.963 *
Frankfurt	2.2478	3.477	—	32.545 *	1.471 x	88.76 *	4.899 *	120.17 *	1.32 *
London (b)	1.471	—	3.4932	10.683	2,264.85	3.9394	70.965	2.7162	263.97
Milan	1,608.50	2,264.75	675.90	221.56	—	603.43	32.342	817.00	8.876
New York(c)	—	0.6803 ■	2.273	7.25	1,612.00	2.674	49.18	1.98	179.45
Paris	7.273	10.6725	3.0706	—	4.515 x	2.2361	15.045 *	3.687	4.052 *
Tokyo	178.45	263.20	79.00	24.70	11.35 *	67.40	371.38 *	91.19	—
Zurich	1.9740	2.8912	83.35 *	27.13 *	0.1225 *	71.065 *	4.086 *	—	1.1085 *
1 ECU	0.9199	0.6240	2.177	6.6657	1,479.26	2.4526	44.4508	1.8102	164.945
1 SDR	1.13363	0.77006	2.68384	8.23762	1,821.72	3.0236	54.7467	2.2296	202.118

Closings in London and Zurich, fixings in other European centers. New York rates at 2 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (■) To buy one pound: $U.S.1.47

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.2195	Mex. peso	483.00	Soviet ruble	0.7275
Austral. $	1.2897	Greek drac.	144.10	Norw. krone	7.395	Span. peseta	146.80
Austr. schil.	16.25	Hong Kong $	7.8095	Phil. peso	19.50	Swed. krona	7.40
Belg. fin. fr.	48.27	Indian rupee	12.4069	Port. escudo	149.00	Taiwan $	38.76
Brazil cruz.	13.77	Indo. rupiah	1,124.00	Saudi riyal	3.6506	Thai baht	26.425
Canadian $	1.3938	Irish £	0.7489	Sing. $	2.1795	Turkish lira	457.80
Chinese yuan	3.2287	Israeli shek.	1.485	S. Afr. rand	2.1322	UAE dirham	3.6728
Danish krone	8.735	Kuwaiti dinar	0.2907	S. Kor. won	885.70	Venez. boliv.	19.20
Egypt. pound	1.35	Malay. ring.	2.4316				

£ Sterling: 1.1482 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Chemical Bank (New York); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *April 2*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	7 ¼-7 ⅜	4½-4⅝	4-4⅛	11¾-11⅞	15¼-16¼	10 ¼-10 ⅜	7⅛
2 months	7¼-7⅜	4 ⅜-4 ½	3 ¾-4 ⅛	11 ⅛-11 ¼	14-15	9½-9⅝	7 ⅛
3 months	7¼-7⅜	4⅜-4½	3 ¾-4 ⅛	11⅛-11¼	12¼-12¾	9 ⅛-9 ¼	7⅛
6 months	7 ¼-7 ⅜	4⅜-4½	3⅞-4	10 ⅝-10 ¾	10⅞-11⅜	8 ⅝-8 ¾	7
1 year	7 ¼-7 ⅜	4⅜-4½	3 ¾-3 ⅞	10⅛-10¼	9⅞-10⅜	8⅜-8½	6 ⅞

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *April 2*

	Close	Prev.
United States		
Discount Rate	7	7
Federal Funds	7 7/16	7⅛
Prime Rate	9	9
Broker Loan Rate	8½	8¾
Comm Paper 30-179 days	7.08	7.05
3-month Treasury Bills	6.32	6.32
6-month Treasury Bills	6.31	6.30
CD's 30-59 days	6.80	6.80
CD's 60-89 days	6.75	6.25
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.50	4.40
One Month Interbank	4.55	4.55
3-month Interbank	4.55	4.50
6-month Interbank	4.55	4.55
France		
Intervention Rate	8¼	8¼
Call Money	8⅞	8¾
One-month Interbank	8⅝	8⅝
3-month Interbank	8¼	8¼
6-month Interbank	8 1/16	8 1/16
Britain		
Bank Base Rate	11½	11½
Call Money	11½	12⅝
91-day Treasury Bill	10 13/16	10 13/16
3-month Interbank	10⅝	10 29/32
Japan		
Discount Rate	4	4
Call Money	5 5/16	5 3/16
60-day Interbank	5⅝	5⅝

Sources: Reuters, Commerzbank, Crédit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits *April 2*

1 month	7⅛ - 7½
2 months	7 ¼ - 7 ⅜
3 months	7 ¼ - 7 ⅜
6 months	7 ¼ - 7 ⅜
1 year	7 ¼ - 7 ⅜

Source: Reuters.

U.S. Money Market Funds *April 2*

Merrill Lynch Ready Assets
30 day average yield: 8.06
Telerate Interest Rate Index: 7.81

Source: Merrill Lynch, Telerate.

Gold

April 2

	A.M.	P.M.	Ch'ge
Hong Kong	335.15	335.45	+0.75
Luxembourg	335.20	—	-9.50
Paris (12.5 kilo)	337.92	337.84	+1.08
Zurich	334.75	335.55	+4.00
London	335.50	335.50	+2.40
New York	—	335.60	-1.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex noon contract. All prices in U.S. $ per ounce.

Source: Reuters.

To Our Readers

Beginning with today's editions, Business People will be published on Thursdays as well as Wednesdays and Fridays. Today's column is on Page 10.

Bush Prods Saudis on Oil Output

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — Vice President George Bush, outlining plans for a four-nation trip to the Middle East that begins Thursday, said he would tell Saudi Arabia that the protection of American security interests required action to stabilize the falling price of oil.

Voicing a similar theme, the energy secretary, John S. Herrington, painted a grim picture of "depression" in U.S. oil fields. "They need to be aware," Mr. Herrington said of the Saudis, "of the dire straits the American oil and gas producers are in" as well as related industries and banks. "That is the crux of the message that we need to tell the world about."

Mr. Bush said that "I will be selling very hard" to persuade the Saudis "of our own domestic interest and thus the interest of our national security. I think it is essential that we talk about stability and that we not just have a continued free fall like a parachutist jumping out without a parachute."

Crude oil prices have plunged more than 60 percent in the last four months.

Although the oil price slump has been credited with helping invigorate the overall economy by restraining inflation, it is causing grave harm to a broad array of businesses in oil-producing regions of the United States.

And because cheap oil makes domestic production less profitable, some analysts — and now the Reagan administration — are suggesting that the stage is being set for a return to the dependence on foreign oil supplies that hurt the U.S. economy in the 1970s.

The oil price collapse generally is attributed to Saudi Arabia's decision last fall to vastly expand its production in an effort to discipline errant members of the Organization of Petroleum Exporting Countries and to induce outside

(Continued on Page 10, Col. 8)

Lee Accuses U.S. of Neglecting ASEAN Interests

By Michael Richardson
International Herald Tribune

SINGAPORE — Prime Minister Lee Kuan Yew of Singapore has said that non-Communist countries in Southeast Asia often feel that the United States overlooks their economic interests.

In an interview with the International Herald Tribune Tuesday, he warned that if Washington kept neglecting the interests of members of the Association of Southeast Asian Nations, "it could lead to fractious and querulous relations."

Mr. Lee said the United States had unloaded tin from its stockpile, contributing to a collapse in the price of the metal.

The United States had also, he said, threatened to withdraw tariff preferences from some developing countries, insisted on renegotiation of an international textile agreement on terms that were tougher for ASEAN countries and withheld support for an international rubber price-maintenance program.

Mr. Lee was speaking before a meeting with Gaston J. Sigur Jr., U.S. assistant secretary of state for east asian and Pacific affairs, who was visiting the region ahead of President Ronald Reagan's planned visit later this month.

Mr. Lee also said Japan must be more forthcoming in opening its domestic market to imports from ASEAN, which provides a substantial amount of the raw materials needed by Japanese industry.

"The best contribution [Japan could make] is to open up Japan's markets, to import commodities and simple manufacturing from the ASEAN countries," Mr. Lee said. "The second best contribution is for Japan to increase her investments and continue with the transfer of technology."

Mr. Lee said the Japanese were not doing enough of either of these things. "They are a big economic power now. They've got to play their role and help to keep the world economy going."

ASEAN countries, which comprise Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, enjoyed some of the highest rates of inflation-adjusted growth in the world for a decade until recession started in 1984-85.

AP

Lee Kuan Yew

Mr. Lee, ASEAN's longest-serving head of government, cautioned: "If prices of oil and commodities continue to stay depressed beyond 1986 into 1987, or worse, 1988, there will be acute problems for all ASEAN countries."

The six ASEAN governments have already sharply cut their development budgets, Mr. Lee said.

"The repercussions of slow growth, with little generation of employment, could be serious in social and political terms," he said.

Asked whether there was a risk the ASEAN area might return to a more turbulent era, Mr. Lee replied: "It's not as poor as it used to be because we've all improved our infrastructure, our productive capacity. So there's no return or immediate reversion to sparser or leaner standards of yesteryear."

But he said there would still be problems because expectations of continued high growth would be frustrated.

"All our peoples have got used to 6 to 8 percent rates of economic growth in the last 12 years. To go down to 2 to 4 percent is unpleasant," Mr. Lee said.

He said he favored an early meeting of ASEAN heads of government to reach agreement on a joint approach to industrial countries and a strategy to overcome economic difficulties.

ASEAN was formed in 1967 as a nonmilitary organization to promote regional cooperation. Since then, only two summit meetings have been held, in 1976 and 1977.

Mr. Reagan is scheduled to visit the Indonesian island of Bali from April 29 to May 2 on his way to Tokyo for the annual gathering of leaders of the seven major industrial democracies — the United States, Japan, France, West Germany, Canada, Britain, Italy — and the European Community.

He will hold separate talks with Indonesia's President Suharto and ASEAN foreign ministers.

Discussions are expected to focus on regional security, including Vietnam's occupation of Cambodia and the steady increase in Soviet military power in Southeast Asia, as well as economic problems.

Mr. Lee expected ASEAN economic concerns to be raised "obliquely" with Mr. Reagan, although he added: "A visit to Bali isn't designed to take in complaints."

However an American source said Mr. Sigur, who had earlier visited Malaysia and the Philippines before flying to Japan Wednesday, was briefing officials on the Reagan visit and gathering Asian views to relay back to Washington.

Mr. Lee, regarded as a firm friend by the Reagan administration, was evidently reflecting the views of his ASEAN partners and sounding a warning to Washington.

Such views were in evidence Monday at the start of a three-day conference in Kuala Lumpur on U.S.-ASEAN relations which Mr. Sigur attended.

Datuk Abdul Kadir Sheikh Fadzir, Malaysia's deputy foreign affairs minister, called on Washington to rethink its economic policy toward Southeast Asia.

He complained about over-concentration of U.S. investments in oil exploration in Indonesia and Malaysia; the low level of American investment outside the petroleum sector compared to Japan's performance; a poor record in the transfer of technology; rising protectionism in the United States, and lack of American support for international commodity agreements.

The Malaysian official said ASEAN countries were "facing their most serious economic challenges in the post-colonial era."

He said rather than provide sophisticated arms and increased military assistance and loans, the United States should devise an economic policy that would help ASEAN.

Mochtar Kusumaatmadja, Indonesia's foreign minister, has said recently that in talks with Mr. Reagan in Bali, Mr. Suharto would underline the impact of the fall in oil prices on the Indonesian economy, which gets 70 percent of its foreign exchange from crude-oil exports.

Wednesday's NYSE 3p.m.

(Continued from Page 6)

12 Month High	Low	Stock	Div.	Yld.	P/E	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
X										
72¼	42⅛	Xerox	3.00	4.6	15	1990	65½	64⅝	65⅛	+ ⅛
57⅝	50	Xerox pf	5.45	9.6		9	57	57	57	+ ¼
27½	20⅛	XTRA	.64	2.5	20	291	25⅜	25¼	25¼	— ⅜
Z										
37	26	ZaleCp	1.32	3.9	13	128	34⅛	34	34	— ¼
15½	3¼	Zapata	.12j			986	4	3⅞	4	
74½	40¼	Zayre s	.40	.7	23	932	73⅝	72	73⅝	— ⅜
28¾	16¼	ZenithE				1080	24⅝	24	24⅝	— ⅛
36	12⅝	ZenLbs	.16i	.3	22	543	32⅝	31¼	32⅝	+ ⅜
22⅝	15⅝	Zero s				23	19⅝	19⅝	19⅝	— ⅛
45⅝	26¾	Zurnin	1.32	3.1	15	94	42⅝	41⅞	42	— ⅜

GM Plans To Lay Off 4,700 Workers in U.S.

Los Angeles Times Service

LOS ANGELES — General Motors Corp. has announced that it will lay off 4,700 workers indefinitely at four U.S. plants, in a move designed to reduce bulging inventories of slow-selling cars.

GM, the largest U.S. automaker, said Tuesday that it will cut 2,190 jobs at its Los Angeles plant, which makes Chevrolet Camaros and Pontiac Firebirds, effective June 9. Layoffs at other plants in Michigan, Kentucky and Texas will begin as early as April 14.

The move, one of the largest single indefinite job reductions among U.S. auto companies in the last two years, comes amid sluggish sales. Concern has been growing about how well the auto industry can cope with increased imports.

Australian Commission Investigates Stocks Fall

Reuters

MELBOURNE — Australia's corporate watchdog, the National Companies and Securities Commission, said Wednesday it will interview some stockbrokers and their clients over alleged irregularities in last week's 3-billion-dollar ($2.14-billion) fall March 26 on Australian stock markets.

The commission has completed a survey of market material relating to share and share-index-futures trading that date, the panel's chairman, Henry Bosch, said. The Sydney and Melbourne stock exchanges are cooperating with the investigation, he added.

On the Wednesday in question, the key all ordinaries index fell 42.1, the biggest single-day fall since 1981.

Average Falls to 15,555.51 On Tokyo Stock Exchange

Reuters

TOKYO — Prices on the Tokyo Stock Exchange plunged Wednesday in heavy trading as investors took profits in a broad range of domestic-oriented shares, brokers said. The market average lost 190.36 to close at 15,555.51 after falling 113.88 on Tuesday. Volume was 800 million shares, compared with 1.5 billion on Tuesday.

Brokers said the market was weakened by the decline on the New York Stock Exchange and caution about the index's rise to near 16,000. The market average rose 268.85 on Monday to a record 15,859.75. On Wednesday, the broader-based Tokyo Stock Exchange index lost 16.18 to 1,243.95.

U.S. Futures

Via The Associated Press

April 1

Grains

Livestock

Food

Metals

Financial

Industrials

Stock Indexes

(Indexes compiled shortly before market close)

Commodity Indexes

	Close	Previous
Moody's	N.A. f	958.60 f
Reuters	N.A.	1,841.60
D.J. Futures	N.A.	129.00
Com. Research Bureau	N.A.	209.60

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

Asian Commodities

London Commodities

Paris Commodities

London Metals

S&P 100 Index Options

Cash Prices

April 2

Commodity and Unit	Wed.	Year Ago
Coffee 4 Santos, lb	2.35	1.39
Printcloth 64/30 38 ½, yd	0.44	0.46
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	76-77	79-80
Lead Spot, lb	18-19	19-21
Copper elect., lb	73	69-72
Tin (Straits)*, lb	n.a.	5.9296
Zinc, E. St. L. Basis, lb	0.35	0.45-.47
Palladium, oz	111-113	115
Silver N.Y., oz	n.a.	6.58

* : Tin spot price in New York.
Source: AP.

Dividends

April 2

Company	Per	Amt	Pay	Rec
INCREASED				
Lowe's Companies	Q	.10	4-30	4-18
PROPOSED STOCK SPLIT				
Total System Services — 2-for-1				
REDUCED				
Snyder Oil Partners	Q	.37½	4-30	4-15
REVERSE STOCK SPLIT				
Bogert Oil Co — 1-for-10				
STOCK SPLIT				
Commercial Fedl Corp — 3-for-2				
E-Z-EM Inc — 3-for-2				
Fst Fedl S&L Coeur d'Alene — 2-for-1				
Total System Services — 2-for-1				
USUAL				
Acme-Cleveland Co	Q	.10	5-16	5-2
Am Cap Comstock	-	.07	4-15	4-2
Am Cap Enterprise	-	1.90¼	4-15	4-1
Am Cap Govt Secs	-	.19	4-15	4-1
Am Cap Growth Fd	-	.55.88	4-15	4-1
Cummins Engine Co	Q	.55	6-13	5-30
Dome Mines Ltd	Q	.03	5-26	4-21
Dreyfus Spcl Inc Fd	M	.04	4-2	3-31
Iveco Inc Cl-B	Q	.10	4-30	4-10
John Hancock Invsl	Q	.50	5-9	4-18
Nevada Power Co	Q	.71	5-1	4-11
Newport Corp	S	.03	6-16	5-22
Trico Industries	Q	.05	5-5	4-10
Venitron Corp	Q	.05	4-30	4-15
Weis Markets Inc	Q	.13½	5-23	5-2
Wstmrlnd Coal Co	Q	.10	6-10	5-16
Winn-Dixie Stores	M	.14½	4-30	4-15
Winn-Dixie Stores	M	.14½	5-30	5-15
Winn-Dixie Stores	M	.14½	6-25	6-11
Wyle Laboratories	Q	.08	4-30	4-16

Source: UPI.

U.S. Treasuries

April 1

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	6.32	6.31	6.52	6.50
6-month bill	6.33	6.31	6.63	6.57
1-year bill	6.30	6.28	6.70	6.71
	Bid	**Offer**	**Yield**	**Prev. Yield**
30-yr. bond	121 20/32	121 22/32	7.43	7.45

Source: Salomon Brothers.

Merrill Lynch Treasury index: 151.18
Change for the day: — 0.12
Average yield: 7.36 %
Source: Merrill Lynch.

DM Futures Options

صفحة | من الأصل

BUSINESS ROUNDUP

Hutchison Profit Rose 20% in 1985

Reuters

HONG KONG — Hutchison Whampoa Ltd. said Wednesday that net profit rose 20 percent in 1985, boosted in part by the sale of shares in two of its holdings.

The industrial conglomerate said net profit reached 1.55 billion Hong Kong dollars ($198 million), compared with 1.29 billion dollars posted in 1984. It paid a dividend of 1.05 dollars a share for 1985, compared with 84 cents a share in 1984.

The net figure included extraordinary gains of 369 million dollars, mainly from the sale of a 20.6-percent share in the Cross-Harbour Tunnel Co. and 10 percent of its stake in Hongkong Electric Holdings Ltd. Hutchison had extraordinary gains of 269 million dollars in 1984.

The company's pretax operating profit fell to 1.12 billion dollars from 1.26 billion dollars in 1984. Officials attributed this partly to reduced interest income.

Hutchison officials also said the company's long-term debt stood at about 1.5 billion dollars at the end of last year, compared with 187 million dollars in 1984.

The company and Hongkong Electric jointly acquired all shares of International City Holdings Ltd. for 1.01 billion dollars last year. Hutchison also reached an agreement with the government last year on a 2-billion-dollar container terminal expansion project.

Hutchison said that rentals from investment properties and profit from Whampoa Gardens, a large residential development project in Hong Kong, would be a major contributor to 1986 profits.

The managing director, Simon Murray, said that while Hutchison had sold more than 3,600 Whampoa Gardens apartments, sales of only 600 units were recorded in the 1985 accounts. He said the remainder would be entered in this year's accounts.

"Activity in the residential property market in Hong Kong continues to be satisfactory with prices stabilizing at healthy levels," said the chairman, Li Ka-Shing. "With the exception of our ship-repairing associated company, all sectors of the group continue to perform well."

He said the company's industrial, trading, tourism and transportation sectors all were benefiting from Hong Kong's role as one of China's major trade partners.

Pretax Loss At BL Widens Despite Gains

Reuters

LONDON — State-owned vehicle maker BL PLC, earmarked by the government for sale to the private sector, announced Wednesday that its pretax loss widened last year by 33 percent, to £110.3 million ($162.1 million) from £73.3 million in 1984.

But the company cut its operating loss by 40 percent, to £39.5 million ($58.1 million) from £66.5 million, and officials said they were optimistic for the future.

Total sales rose 15.5 percent in 1985 to £3.42 billion. Domestic sales were up a sharp 20.5 percent to £2.35 billion while overseas sales edged up 4.9 percent to £1.06 billion.

The Land Rover division, which makes all-terrain and commercial vehicles, increased its operating profit fivefold to £10 million from £2 million in 1984. The proposed sale of the unit to General Motors Corp. touched off fierce resistance in Parliament last month.

Land Rover group sales rose by 11 percent to 62,000 units, and exports — representing more than half of production at 33,000 units — increased by 21 percent, the company said.

Austin Rover, the car-making division, slashed its operating loss to £6 million from £26 million.

But BL said losses from its troubled bus and truck division remained high at £52 million, compared with £61 million in 1984.

Beijing Jeep Hurt by Foreign Exchange Shortage

By Mark O'Neill
Reuters

BEIJING — Beijing Jeep Corp., a pioneering joint-venture auto company, is being crippled by a shortage of foreign exchange and is owed millions of dollars by state concerns, motor industry sources here said Wednesday.

The corporation, almost one-third owned by American Motors Corp., the fourth largest U.S. automaker, began making four-wheel-drive vehicles last September.

But now it is scrambling to get cash to buy engines and parts and may have to stop production next month unless it gets some of the money it is owed, the sources said.

Beijing Automotive Works owes the joint venture $9.4 million and $2 million is outstanding from another Chinese state concern in part-payment for 200 Jeeps, according to the sources.

Since September, Beijing Jeep has sold only 464 Jeeps out of a planned 1,200. It has received no new orders this year and expects to produce only a third of its planned 1986 output.

A Western diplomat said many joint ventures in China were having trouble acquiring foreign exchange, after tight controls were imposed last year.

Beijing Jeep needs the foreign exchange to pay for imported parts used in making the vehicles.

The corporation's president, Don St. Pierre, conceded that the company was having serious foreign exchange problems that would probably affect planned production unless they were resolved shortly.

"We have not had second thoughts about coming to China. Getting out would be a big step. But we need quick results," he said.

Mr. St. Pierre added that he was confident that a solution would be found to the company's problems.

However, a legal consultant said Beijing Jeep's problems had put AMC in a dilemma.

"If it pulled out, it would give China such a shock they would improve conditions for other joint ventures and make it better for AMC's competitors. But, if AMC stays, the Chinese will force every concession," he said.

COMPANY NOTES

Boliden AB, the Swedish mining and metals group, said shipments of ore and metals will be hit if planned nationwide selective strikes go ahead next Tuesday.

Hanson Trust PLC said it has received acceptances under its £2.7-billion ($3.9-billion) offer for Imperial Group PLC that takes the total of shares owned by Hanson and its associates to 228.3 million, or 30.2 percent of the total. United Biscuits said under its £2.6-billion offer for Imperial it now has 166.1 million shares, or 21.96 of the total. Both bids were extended to April 11.

Kaufhof AG, the West German stores group, said it plans a 50-percent increase in group fixed-asset investment this year to around 200 million Deutsche marks ($86.9 million). About 55 percent of the investment will finance fixed-asset investment at the parent company.

Loews Corp., the U.S. tobacco-products and hotels group, has increased its holdings in CBS Inc. to 16.7 percent, from 12.3 percent. It bought an additional one million shares at $143.50 from Fisher Brothers, a New York City real estate concern.

Moët-Hennessy, the French champagne group, has purchased an 8.2-percent stake in Cie. Luxembourgeoise de Télédiffusion, a parent company of broadcasting group RTL, a Moët-Hennessy spokesman said. The stake cost 230 million francs ($32.4 million).

Nederlandsche Middenstandsbank NV said it plans a 1-for-10 share issue at 185 guilders ($70.34) per nominal 50 guilder share. Trading in the issue will start Friday. Subscriptions close April 16 and the payment date is April 28, the Dutch bank said.

Pioneer Concrete Services Ltd. of Australia said it should continue to maintain strong profit growth in the second half after lifting its net by 23.5 percent to 58 million dollars ($41.4 million) in the first half ended Dec. 31. A year earlier, net totaled 47 million dollars.

Razak & Ramil, a Malaysian stockbroking firm suspended after failing to honor a transaction involving a block of 650,000 Roxy Bhd shares worth about 3.6 million dollars ($1.3 million), is to have its books inspected by auditors appointed by the Kuala Lumpur Stock Exchange.

Sun Alliance & London Insurance PLC said its results remain generally unsatisfactory, with pretax profit in 1985 falling 21 percent to £37.7 million ($55.4 million) from £47.6 million in 1984.

Union Bank of Switzerland said it had opened a trust banking subsidiary in Tokyo called UBS (Trust and Banking) Ltd. with a share capital of 5 billion yen ($28.2 million).

Geevor Mines Plans Layoffs

Reuters

LONDON — Geevor Tin Mines, Britain's only independent tin mining company, said Wednesday that it would suspend operations beginning Monday, when 300 miners would be laid off.

The deputy chairman, Ken Gilbert, said another 50 workers would be laid off in three weeks. He said that the government had refused to give it £1 million ($1.47 million) that would have allowed the miners to continue work until the company could sort out its problems.

The price of tin has plummeted since the International Tin Council, which regulated the metal's price, ran out of cash in October.

IBM Introduces Convertible Lap Computer

Compiled by Our Staff From Dispatches

NEW YORK — International Business Machines Corp., the world's largest computer maker, introduced a portable lap-top personal computer on Wednesday, months after industry experts had predicted.

Called the IBM PC Convertible, it differs from other lap-size models already on the market in that it features a detachable display screen that can be removed easily to convert the system into a conventional desktop computer that uses full-size display screens.

IBM said in a news release that the PC Convertible features two 3.5-inch (8.9-centimeter) diskette drives, weighs less than 13 pounds (5.9 kilograms) and is powered by batteries. It has an optional modem that allows it to communicate with other computers using ordinary telephone lines. The price is $1,995 for a standard model. Deliveries are scheduled to begin in May.

IBM also announced Wednesday a new, faster model of its AT personal computer and three new models of its XT personal computer. The enhanced versions offer twice as much storage capacity and new software that improves communications between personal computers and larger computers.

Until Wednesday's announcement, lap-tops remained the only sector of the personal computer business in which IBM had no offerings. The division has not brought a major new product to market since its PCjr home computer was taken out of production a year ago.

Last month, the company lost a bid to sell a lap-top machine to the U.S. Internal Revenue Service for use by field auditors, reportedly because the model was not available when the government agency made its choice.

A host of companies are bringing out new lap-top computers that, unlike heavier "portables," can run on batteries. Most have 24-line screens and modems that allow users to exchange data with their home offices. Most important, they are IBM-compatible and, unlike many earlier desktop models, contain small disk drives.

Among those already in the market are Zenith Data System Corp., which won the IRS bid; Grid Systems Corp.; Morrow Designs Inc.; Sony Corp., and Hewlett-Packard Corp. The most successful models so far are made in Japan for Tandy Corp. American Telephone & Telegraph Co. and Wang Laboratories are also expected to enter the competition. *(AP, NYT, Reuters)*

Uncertain Future for 2 French Bosses

Nationalizers-Turned-Executives Await the Chirac Backlash

By Paul Lewis
New York Times Service

The New York Times

Jean Peyrelevade, left, head of Cie. Financière de Suez, and Loïk Le Floch-Prigent, head of Rhône-Poulenc SA.

PARIS — The poachers-turned-gamekeepers of French industry and banking are wondering how long they will keep their jobs, now that France has a conservative government again.

This spring Prime Minister Jacques Chirac will start a five-year plan to move most state-owned companies and banks into the private sector. But whether this means the chairmen of those companies will be removed any time soon is uncertain.

Two of them, Loïk Le Floch-Prigent, chairman of Rhône-Poulenc SA, the chemical giant, and Jean Peyrelevade, chairman of Cie. Financière de Suez, a banking group, occupy a unique position in the French business world: In 1981 they were part of the Socialist government that nationalized the companies they now run.

They have something else in common: a desire to remain in place at their companies.

"Why change a winning team?" asked Mr. Le Floch-Prigent, sitting in a modernistic office at Rhône-Poulenc's headquarters in a Paris suburb.

Mr. Peyrelevade, in an ornate, 19th-century Paris office at Suez, as the bank is informally known, said, "I'd like to go on building up the bank the way we've been doing."

Mr. Le Floch-Prigent, a civil servant from Brittany, served as chief of staff to Pierre Dreyfus, minister of industry under Prime Minister Pierre Mauroy after the Socialists took power in 1981. As such, Mr. Le Floch-Prigent became a key figure in putting into effect the Socialists' plan to nationalize the banking system and the commanding heights of French industry.

Working closely with him was Mr. Peyrelevade, a former banker with the state-owned Crédit Lyonnais, who headed the Socialists' nationalization program on Mr. Mauroy's staff.

Neither disguises his Socialist sympathies. But both argued for some modification of total nationalization when they worked for the government and ask now to be judged by their corporate results, not their politics.

"I'm serene," Mr. Le Floch-Prigent said. "What I've done is what I should be judged on."

There are several measures of success to which the men can point. The conservative government, for instance, expects to be able to sell Suez for at least 15 billion francs, or $2.1 billion, about three times its pre-nationalization stock market value of 4.9 billion francs.

"That's a comparison I'm proud of," Mr. Peyrelevade asserted.

Another is that nonvoting shares in both companies issued recently on the Paris Bourse sold well. Suez's 1.8-billion-franc issue in February was heavily oversubscribed, while shares that Rhône-Poulenc sold last fall at 310 francs are now trading at about 410 francs.

Rhône-Poulenc "is a recovery situation, and the shares were undervalued," said David Jones, a European analyst with the London stockbrokers Savory Miln.

As businessmen, Mr. Le Floch-Prigent and Mr. Peyrelevade faced very different challenges when they took over the nationalized companies they head.

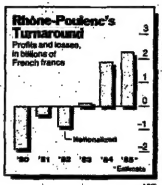
Rhône-Poulenc, after having losses of 3.1 billion francs from 1980 to 1982, showed a modest gain in 1983 and then reported a profit of 1.98 billion francs in 1984, third in France only to Société Nationale Elf-Acquitaine, the oil group, and IBM France.

Turning around Rhône-Poulenc involved a far-reaching government-sponsored reorganization of the French chemical sector, an injection of 1.7 billion francs in new state capital and 1.3 billion francs in low-interest loans.

The company's unprofitable petrochemical interests were transferred to Elf Acquitaine, while its fertilizer plants went to another state-owned chemical company, Groupe CDF Chimie, which sold them to Norway's Norsk Hydro AS. In return, Rhône-Poulenc took over the fine-chemicals interests of Pechiney, the nationalized aluminium producer. As a result, Rhône-Poulenc was able to move into more sophisticated — and more profitable — chemicals.

"Research is our raw material," Mr. Le Floch-Prigent said, insisting that his company's future was in moving away from bulk products to more specialized goods.

Both ask to be judged by their corporate results, and not their Socialist politics.



NYT

Textiles, which accounted for 30 percent of sales a decade ago and were a major source of losses, have been cut to 21 percent at a cost of 5,000 jobs. The sector is now profitable worldwide although it still has losses in France.

Today Mr. Le Floch-Prigent hopes the benefits of falling oil prices will offset increased U.S. competition resulting from the lower dollar.

"I hope they cancel each out and we can continue growing by about 10 percent a year," he said.

At Suez, Mr. Peyrelevade said he faced reorienting a successful company to meet the challenges of competition and financial deregulation, greatly favored by the Socialists.

"We're trying to look more like an investment bank with industrial interests that complement our financial skills and less like a miscellaneous industrial group," he said.

Some major surgery was involved. Mr. Peyrelevade moved Suez out of France's "overcrowded" retail banking market, selling its stake in Crédit Industriel et Commercial SA, but built up its specialized banking interests, taking over Sofinco, a consumer-credit bank, and Banque La Henin, a specialist in mortgage finance.

In return for helping refinance the troubled Banque de l'Union Européenne in 1983, Mr. Peyrelevade picked up 4 percent of Roussel Uclaf SA, the highly profitable pharmaceutical company controlled by Hoechst AG of West Germany but partly nationalized by the Socialists. Recently, Carlo de Benedetti, the Italian industrialist, asked Suez to take a 5-percent stake in his family holding company.

But Mr. Peyrelevade's sweetest success came when he recaptured control of La Victoire insurance group. Before nationalization, Suez was considered to control La Victoire group. But in a stock market battle a group of French financiers, nicknamed the Four Horsemen of the Apocalypse, united to wrest control from Suez.

They were Marcel Dassault, an aircraft manufacturer; Jean-Marc Vernes, a banker, and Jack Frances and Marc Fournier, financiers. But last spring Mr. Fournier allowed Suez to regain control of La Victoire group by selling his holding back to Mr. Peyrelevade.

The saga may not be over. The Four Horsemen are thought to be interested in taking a big stake in Suez when it is denationalized. And Paris rumor mills speculate they are ready to keep Mr. Peyrelevade on as chairman. Mr. Peyrelevade denies any such agreement but describes his relations with the other big shareholders in La Victoire as "excellent."

Finally, Mr. Peyrelevade says with pride that he put Suez back into "big-project finance." The group is associated with the consortium that has won the contract to build an English Channel tunnel and is involved with the French Disney World project.

Moreover, Mr. Peyrelevade says that he still has 1 billion francs of spare cash in his "desk drawer" looking for a home. "We're hunting for strategic new investments," he said, without knowing whether he would keep his job long enough to spend the money.

120 Foreign Companies Now Operating in China

Reuters

BEIJING — About 120 wholly owned foreign companies are now operating in China, compared with none in 1979, the official Xinhau news agency reported Wednesday.

The agency said the companies had invested about $500 million in China. It said 58 of the enterprises are "production-oriented."

Wednesday's AMEX 3p.m.

Via The Associated Press

EC Takes Steps To Counter Any U.S. Trade Move

Reuters

BRUSSELS — The European Community executive Commission Wednesday ordered officials to prepare retaliatory measures for a possible trade war with the United States.

They will draw up a list of U.S. product-imports that could be restricted if Washington carries out a threat to impose tariffs and quotas on certain EC products within the next month, a commission spokesman said.

The U.S. threat follows claims that its exports to Spain and Portugal of farm products — mainly wheat and cattle fodder — face stiff new trade barriers as a result of the two countries joining the community Jan. 1.

Meanwhile, E. de la Garza, Democrat of Texas and chairman of the U.S. House of Representatives Agriculture Committee, said there appeared to be enough goodwill on both sides to settle the growing dispute over trade.

BUSINESS PEOPLE

ComputerLand Corp. Names Kenneth Waters President

Compiled by Our Staff From Dispatches

HAYWARD, California — Kenneth R. Waters has been named president and chief operating officer of ComputerLand Corp., a company he joined seven years ago as a lawyer.

Mr. Waters was named to the post by Edward Faber, chairman of ComputerLand, the world's largest franchiser of computer stores.

Mr. Waters said he left ComputerLand last September because of differences with the company's founder and the then-chairman, William Millard, but returned less than a month later when Mr. Millard handed operating control to Mr. Faber.

Superfos A/S, the Danish-based chemicals, feedstuffs, packaging and construction group, said its managing director, Jörgen Trygved, has resigned. "Trygved has planned for some time to try himself in another business abroad. The board and Trygved thought it therefore appropriate to end collaboration," the company said. Superfos's pretax income in 1985 fell to 40 million kroner ($4.65 million) from 311 million kroner in 1984, despite increased sales. It ascribed this partly to a major but unspecified deficit by its U.S. fertilizer subsidiary, Royster Co., bought in January 1985.

Harris Corp. said its president, John T. Hartley, 56, has been named chief executive, succeeding Joseph A. Boyd, 65, who remains chairman of the Florida-based maker of information-processing equipment.

Todd Shipyards Corp., New York, announced that John T. Gilbride, chairman and chief executive, will retire from both jobs following the corporation's annual meeting in July. Mr. Gilbride, chairman since 1975, will continue as a director of the company and chairman of its executive committee. Todd's directors have nominated Hans K. Schaefer, 50, president and chief operating officer and a director since 1981, to succeed Mr. Gilbride.

(AP, Reuters)

Bush Assails Oil-Price Fall

(Continued from Page 7)

producers, such as Britain, to cooperate with the organization.

Mr. Bush said that the new U.S. effort did not constitute a "warning," adding that he did not intend to ask the Saudis to cut their oil production.

According to analysts, however, this is a diplomatic formality. The Saudis, they said, likely will understand that Washington really is talking about reduced output.

In Washington, Representative Philip R. Sharp, a Democrat of Indiana, assailed Mr. Herrington for what he called an effort to "talk up" the price of oil "by urging the major player in the OPEC cartel to return to the tactics which have caused our economy such great damage in the past."

Mr. Bush and Mr. Herrington both repeated the long-held administration view that reliance on market forces is the best policy. In somewhat different ways, however, they also suggested that other forces are now at work and that the market could not be relied upon when vital security interest are jeopardized.

Trading Volume Eased In All Metals Except Zinc In Quarter, LME Says

Agence France-Presse

LONDON — Trading volume declined in all metals with the exception of zinc on the London Metal Exchange in the first quarter of this year compared with the year-earlier period, the exchange reported Wednesday.

A total of 1.36 million metric tons (1.49 million short tons) of high grade zinc were traded, compared with 113,875 metric tons a year earlier.

But volume in higher grade copper totaled 7.70 million metric tons in the first quarter of 1986, down from 8.16 million metric tons previously; 24,700 metric tons, down from 42,050 metric tons for copper cathodes; 1.98 million metric tons, down from 2.45 million for lead; 4.97 million metric tons, down from 7.30 million for aluminum; and 179,328 metric tons, down from 270,204 metric tons for nickel.

Trading volume suffered from the effects of the tin crisis on LME brokers, the exchange said.

Wednesday's OTC Prices

Expansion Is Creating Global Financial Markets

(Continued from Page 7)

forecasters, but are urgent, nuts-and-bolts issues that are permanently altering the financial map.

But all this growth is not coming without a substantial cost. It is sharply intensifying competition in the industry, stretching the capital of the investment banks thinner and thinner, which makes them more vulnerable to unexpected jolts. And, it is setting the stage for what could prove to be a large shakeout down the road.

"The fact is that there is no historical precedent for this — there has never been a truly global business like this is becoming," said Samuel L. Hayes 3d, a professor of investment banking at the Harvard Business School. "The firms are throwing much more money and people at this than they have just about anything before, while there is so much uncertainty. It puts them at much greater risk."

This has put enormous pressures on the resources of nearly every firm.

"We are running up against the limits of our own resources to expand overseas," said Roy C. Smith, the head of international finance at Goldman, Sachs. "That means the limits of people, capital and even space."

Goldman's London office, for instance, has expanded to 300, from 180 in mid-1984. Meanwhile, its Tokyo operation has grown to 60, from two in 1974, and it plans to build to 100 this year, Mr. Smith said. "We're investing more than we're taking out," he added.

Morgan Stanley & Co., the venerable investment banking house, recently broke with its past by selling shares to the public for the first time, largely to finance its overseas growth.

"We see opportunities to make investments in our business overseas that exceed our ability to retain earnings, frankly," said Richard B. Fisher, Morgan Stanley's president. "We have done a lot of planning, but if anything, we have underestimated the growth of international transactions."

But some firms are holding back. Robert E. Linton, chairman of Drexel Burnham Lambert Inc., said he was cautious, especially in London, where expansion has been frenzied.

"From my point of view, there are clearly a lot more questions than answers on how things will sort out," Mr. Linton remarked. "We are not gearing up to the extent of our competitors" in London. "We like to make money. We want to see what develops, because maybe it will grow the way they expect. And maybe it won't."

The impetus for this revolution is coming from two principal sources: the increasingly slippery nature of capital because of electronic technology, which makes information just as accessible to a trader in Paris, Tokyo or the Bahamas as it is on Wall Street, and financial deregulation, a worldwide trend that is old news in the United States, but which is gaining momentum in other countries.

London is well ahead of other foreign centers in liberalizing its markets, but Tokyo is moving ahead, too, though at a cautious, snail's pace.

Another factor that has heated up the competition is the entrance of commercial banks into the Euromarket race. American banks are restricted from underwriting activities in the United States by the Glass-Steagall Act. But abroad they are free to compete head-to-head with the investment banks. Morgan Guaranty Trust Co., Citibank and Bankers Trust are among the more active.

Indeed, international transactions are fast becoming a big chunk of Wall Street's business. At Shearson Lehman Brothers, from 5 percent to 30 percent of every initial public stock offering the firm underwrites is sold overseas, and about a quarter of its merger activity involves a foreign party, according to François de St. Phalle, manager of the international department. About 40 percent of the mammoth $1.3-billion offering of securities in Rockefeller Center last year, for instance, went to foreign investors.

Thus, in the Darwinian world of investment banking, expansion into Europe and Asia is no longer an option. "Our international efforts are not a nice side deal for us," said Francis P. Jenkins, a managing director who heads the international division of First Boston. "We can't survive without them. The global market is a reality."

Added Ronald Stuart, a managing director who heads international capital markets and trading at Salomon Brothers. "You can't deliberate for long on whether you'll do it or not. If you want to be a factor, you have to get in the market in the early growth phases."

Busy Overseas Market

Issues by United States companies of all types of public securities in Euromarket, in billions of dollars

*Annualized estimate based on first-quarter activity. Source: Securities Data Company

NYT

Previously, the overseas business of the U.S. firms was rather narrow in scope. Many firms had focused on selling American securities to wealthy foreign investors. It was a lucrative, but limited, business. And it gave American corporations an added source of capital.

Today, the Wall Street firms are increasingly doing almost the same mixture of business abroad as at home. They are structuring and underwriting securities aimed specifically at foreign investors; they are making markets in foreign and United States securities for overseas investors, and they are providing financial advice, including merger and acquisition counseling, to foreign corporations.

"We had been just selling U.S. securities products overseas for years," said James T. Barton, president of Prudential-Bache Securities. "But a few years ago it dawned on us that we had to grow internationally in a much more meaningful way."

Setting up shop abroad, however, does not guarantee success. The battle to buy a slice of the international market has been cutthroat. Both American and foreign competitors for underwriting transactions are increasingly offering lucrative terms to issuers to win the business. The problem is that they sometimes end up selling the securities at prices below what they paid and the thin underwriting commissions they charge are not enough to make up the difference.

The foreign merchant and commercial banks have developed into formidable competitors. During the just-completed quarter, only three American or American-affiliated firms made it into the ranks of the top 10 Euromarket underwriters, as measured by dollar volume. In the first quarter of 1985, by comparison, seven of the top 10 were American or American affiliated, according to IDD Information Services.

For a while, Japanese securities firms trying to break into the Euromarket through underwritings of yen-denominated bonds were putting together transactions at such a loss to themselves that the agreements got to be known as "hara-kiri" bonds. Mr. Kenney of Merrill Lynch estimated that one of every three or four financings in the Euromarkets was done at a loss to the lead underwriter.

Many predict that as a result, a shakeout within the industry is looming. "The question is not if you can grow, it is a question of whether you can do it fast enough," Mr. Kenney said. "It's going to be war."

Interest Rates Down; Stock Market Up

(Continued from Page 7)

Myers Co., an electrical-systems supplier with a string of quarterly losses. Myers's lenders agreed to a restructuring and its stock ended the quarter at $7.875, up 231.6 percent from Jan. 1.

International political events played key roles in the fortunes of several rising Amex stocks.

Shares in San Carlos Milling Co., a Philippine sugar miller, and the Philippine Long Distance Telephone Co., shot up immediately after former President Ferdinand E. Marcos's ouster in late February; American investors, anticipating a more stable economic climate in the Philippines, snapped up the two stocks. San Carlos ended the quarter at $3.25 a share, up 225 percent for the period, while the phone stock rose 166.7 percent, to $5 a share.

The Amex's leading gainer was Heritage Entertainment Inc., a Los Angeles movie production and distribution company, whose stock jumped 261.9 percent, to $9.50 a share. The company, which recently switched to the Amex from over-the-counter trading, distributes American movies in the Soviet Union and Eastern Europe, and imports movies from those countries to the United States.

Richard Grisar, executive vice president of Heritage, said that last year's meeting between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, improved cultural relations between the two countries and has served to nurture the company's business in the Soviet Union.

The three biggest losers on the NYSE were Smith International, a drilling equipment company in Newport Beach, California, that has filed for protection from its creditors under Chapter 11 of the federal bankruptcy code; Reading & Bates, an offshore driller based in Tulsa, Oklahoma, and Gearhart Industries, an oil-field services company in Fort Worth, Texas. Their stocks dropped between 51 and 75 percent during the first quarter.

CURRENCY MARKETS

Dollar Rises on European Markets

Compiled by Our Staff From Dispatches

LONDON — The dollar rose Wednesday on European markets, pushed by the recent sharp firming of U.S. bond yields and market conviction that central banks in Tokyo and Washington presently do not want the currency to fall, dealers said.

The dollar rose in Frankfurt to an afternoon fix of 2.3678 DM, up more than three pfennings from Tuesday's fix of 2.3363 DM.

Although there were few factors to influence trading, dealers said the market saw little reason to reverse the dollar's recent upward trend despite concern over the pace of U.S. economic growth.

Dealers said that the currency was well bid, with corporations showing considerable interest in buying dollars.

One dealer said that "when there are no new factors you tend to go with the trend," adding that there also was "genuine dollar buying of a portfolio type."

Dealers said the Deutsche mark appeared to suffer most from the dollar's strength, while dollar-yen trading was more cautious. Some traders said that the dollar could test the 2.40-DM level by the end of the week.

In Tokyo, the dollar gained to 178.45 Japanese yen from Tuesday's close of 177.75 yen.

Satoshi Sumita, governor of the Bank of Japan, said Wednesday that the yen-dollar exchange rate must be stabilized, adding that "the level of about 180 yen to the dollar reflects fundamentals of the Japanese economy." Although he said that the bank would intervene if foreign exchange markets became disorderly, his remarks were interpreted as restating Japan's view that further yen appreciation was undesirable.

However, one dealer said that "the market is not convinced that the Japanese will be able to hold their line" given pressure on Tokyo to reduce its trade surpluses.

Elsewhere in Europe, the dollar closed in Zurich at 1.9743 Swiss francs, up from Tuesday's close of 1.9473; it was fixed in Paris at 7.273 French francs, up from 7.167 on Tuesday.

Sterling, helped by firmer oil prices, ended slightly higher in London at $1.4710 from Tuesday's close of $1.4705, and made more substantial against against other European currencies.

But some dealers said the high level of British interest rates and an inflow of funds to London's gilt and stock markets were more important for sterling at the moment than oil worries.

In London, the pound firmed to 3.4933 DM from Tuesday's 3.4288 DM.

(Reuters, AFP, IHT).

London Dollar Rates

Closing	Wed.	Tue.
Deutsche mark	2.3745	2.3365
Pound sterling	1.4710	1.4705
Japanese yen	179.45	178.00
Swiss franc	1.9818	1.9468
French franc	7.2625	7.1575

Source: Reuters

Philips Units Take Over

Reuters

NUREMBERG — The Swiss and West German subsidiaries of the Dutch conglomerate Philips NV have taken over units in those countries of the U.S.-based electronic data company Bunker Ramo Corp., a Philips spokesman said Wednesday.

THE EUROMARKETS

Losses in U.S. Pull Down Dollar Straights

By Christopher Pizzey

Reuters

LONDON — The dollar-straight sector ended lower as dealers marked down prices in line with afternoon losses in the U.S. market.

Traders said, however, that volume in Europe was fairly thin. One dealer at a Continental bank said that "for the time being, retail clients are prepared to ride out what they see as a temporary bout of profit-taking. They're not heavy sellers at the moment."

New-issue activity centered on other currencies, as the Danish kroner sector saw its first sovereign borrower, Sweden.

Sweden's 500-million-kroner bond issue pays 8⅛ percent over seven years and was priced at par. Dealers reported strong retail demand for the issue, which ended well inside its total 1⅞-percent fees at a discount of 1¼. Privatbanken A/S was the lead manager.

After Tuesday's activity, the sterling sector saw another new issue — a £50-million bond issue for the South Australian Government Finance Authority. The five-year issue was priced at 100½ and pays 9⅛ percent. The lead manager was S.G. Warburg & Co. The issue was guaranteed by the treasurer of the state of South Australia.

Banque Paribas launched a 150-million European currency unit bond issue that has a further 50-million ECU on tap. The eight-year issue pays 7¼ percent and was priced at 100⅜. It was launched in part-paid form with 10⅜ percent due April 28 and the rest due Oct. 28.

It was quoted on the market at 9⅝. Banque Paribas Capital Markets was sole lead manager.

In the dollar sector, the Kredietbank unit, KB-Ifima, issued a $150-million, 25-year, floating-rate-note issue that pays 15 basis points over the three-month London interbank bid rate. Dealers felt the terms were tight and it ended outside the full fees.

Two straight issues were launched for Japanese borrowers, a $110-million issue paying 8 percent over four years and priced at 101½ for NTN Toyo Bearing Co. and an $80-million equity warrant bond for Rohm Co. This issue has an indicated coupon of 4 percent and a five-year life.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Australia

Pioneer Concrete Svc.

1st Half	1985	1984
Revenue	1,528.	1,290.
Profits	58.03	47.01
Per Share	0.15	0.115

Britain

BL

Year	1985	1984
Revenue	3,420.	2,940.
Pretax Net	(a)110.2	72.3

a: loss.

Guardian Royal Exch.

Year	1985	1984
Profits	3.50	92.2

Canada

Dome Petroleum

Year	1985	1984
Revenue	2,440.	2,450.
Profits	7.8	(a)197.0

a: loss.

United States

CSX

1st Quar.	1986	1985
Revenue	1,700.	1,990.
Net Inc.	85.0	90.0
Per Share	0.56	0.60

West Germany

BASF

Year	1985	1984
Revenue	44,380.	40,400.
Pretax Net	3,040.	2,520.

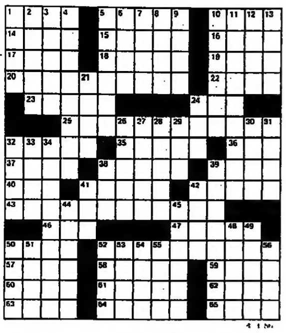
Wednesday's OTC Prices

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
[illegible]									

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



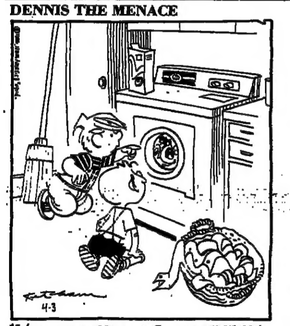
ACROSS

1 Gusted
5 A French prime minister in the 30's
10 Part between two supports
14 Italian coin
15 Identical
16 Jason's ship
17 Landed
18 Radio, TV, etc.
19 Charges
20 Bostonian's favorite
22 Vortex
23 Showed concern
24 R.E.L.'s nation
25 Tot's favorite
32 Jejune
35 Lend —— (hearken)
36 Wrath
37 In a tizzy
38 Supplementary
39 Rich source
40 It brings April glowers
41 He wrote "Loving"
42 Twofold
43 Suitable companion for 25 Across
46 Aurora, to Athenians
47 Elevate
50 Opposite of lip service
52 Suitable companion for 20 Across
57 Osculate
58 Showed again
59 Writer Chase
60 —— fixe
61 Empty
62 G, F or C
63 Bustles
64 Civet's relative
65 "Genghis Khan, Immanuel ——"

DOWN

1 Gossip
2 Blooming shrub
3 Writer Mann
4 Capybara
5 Greek letter
6 Out of the wind
7 Pitcher Blue
8 Consanguineous
9 Where cows browse
10 Most secure
11 Rapacity
12 Matured
13 Inquisitive, to a fault
21 Action
24 Mongrel
26 George of filmdom
27 Word with hand or foot
28 Itty-bitty
29 March's "The —— Seed"
30 "Ring" goddess
31 Stagger
32 Squirrel fur
33 Site of a great tomb
34 Mad or bad
38 "Where the Boys ——," 1960 film
39 Lear creation
41 Famed literary initials
42 Sting
44 Horse-opera groups
45 Female donkey
48 Inner part of a temple
49 Already occupied, as a seat
50 Overlook
51 "Celeste ——"
52 Marine prison
53 Poet Sully-Prudhomme
54 Algerian port
55 Opposite of wax
56 Cuckoo

DENNIS THE MENACE



"IT'S LIKE A BASEBALL GAME... THE WHITE SOX ARE JUMPIN' ALL OVER THE RED SOX!"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DOTUB

PHULS

GUBORE

SNAMEA

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here:

(Answers tomorrow)

Yesterday's Jumbles: EAGLE GUEST KINGLY SHOULD
Answer: What was Dr. Jekyll's favorite game?— "HYDE" & SEEK

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	16	61	13	55	r
Amsterdam	8	46	1	34	fr
Athens	19	66	11	52	fr
Barcelona	15	59	7	45	fo
Belgrade	19	66	5	41	fr
Berlin	9	48	2	36	fr
Brussels	10	50	1	34	cl
Bucharest	19	66	6	43	fr
Budapest	12	54	4	39	r
Copenhagen	7	45	0	32	cl
Costa Del Sol	14	57	8	46	r
Dublin	7	45	1	34	r
Edinburgh	7	45	-3	27	fr
Florence	19	66	4	39	fr
Frankfurt	11	52	0	32	cl
Geneva	12	54	4	39	cl
Helsinki	2	36	0	32	sw
Istanbul	18	64	9	48	fr
Las Palmas	20	68	14	57	o
Lisbon	16	61	10	50	o
London	6	43	0	32	st
Madrid	11	52	6	43	r
Milan	18	64	10	50	cl
Moscow	7	45	4	39	cl
Munich	10	50	5	41	o
Nice	16	61	9	48	cl
Oslo	8	46	-1	30	cl
Paris	13	55	5	41	o
Prague	11	52	0	32	cl
Reykjavik	1	34	-6	21	fr
Rome	18	64	5	41	fr
Stockholm	3	37	0	32	o
Strasbourg	10	50	0	32	o
Venice	17	63	7	45	fr
Vienna	15	59	5	41	cl
Warsaw	7	45	1	34	fr
Zurich	12	54	4	39	cl
MIDDLE EAST					
Ankara	16	61	7	45	cl
Beirut	—	—	—	—	na
Damascus	—	—	—	—	na
Jerusalem	14	57	9	48	r
Tel Aviv	20	68	12	54	r
OCEANIA					
Auckland	21	70	16	61	sh
Sydney	28	82	20	68	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	26	79	o
Beijing	20	68	7	45	o
Hong Kong	20	68	16	61	r
Manila	34	93	24	75	cl
New Delhi	32	90	18	64	r
Seoul	18	64	5	41	cl
Shanghai	13	55	10	50	r
Singapore	30	86	24	75	o
Taipei	20	68	17	63	o
Tokyo	17	63	8	46	fr
AFRICA					
Algiers	27	81	7	45	cl
Cairo	21	70	15	59	cl
Cape Town	21	70	11	52	fr
Casablanca	15	59	12	54	r
Harare	24	75	15	59	cl
Lagos	29	84	23	73	o
Nairobi	26	79	15	59	o
Tunis	22	72	12	54	fr
LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Caracas	29	84	21	70	fr
Lima	—	—	—	—	na
Mexico City	28	82	8	46	fr
Rio de Janeiro	29	84	—	—	na
NORTH AMERICA					
Anchorage	0	32	-11	12	cl
Atlanta	29	84	14	57	fr
Boston	18	64	10	50	pc
Chicago	14	57	2	36	fr
Denver	15	59	5	41	pc
Detroit	16	61	4	39	fr
Honolulu	30	86	22	72	fr
Houston	27	81	18	64	pc
Los Angeles	20	68	15	59	pc
Miami	26	79	18	64	fr
Minneapolis	16	61	2	36	pc
Montreal	14	57	4	39	fr
Nassau	26	79	17	63	pc
New York	19	66	12	54	pc
San Francisco	17	63	11	52	fr
Seattle	13	55	4	39	fr
Toronto	12	54	1	34	fr
Washington	24	75	10	50	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

THURSDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Rain. Temp. 10—3 (50—37). LONDON: Showers. Temp. 7—1 (45—34). MADRID: Showers. Temp. 10—7 (50—45). NEW YORK: Fair. Temp. 16—7 (61—45). PARIS: Cloudy. Temp. 13—4 (55—39). ROME: Overcast. Temp. 16—7 (61—45). TEL AVIV: Na. ZURICH: Rain. Temp. 10—5 (50—41). BANGKOK: Mist. Temp. 35—28 (95—82). HONG KONG: Cloudy. Temp. 23—18 (73—64). MANILA: Fair. Temp. 34—23 (93—73). SEOUL: Rain. Temp. 18—5 (64—41). SINGAPORE: Thunderstorms. Temp. 31—25 (88—77). TOKYO: Fair. Temp. 16—8 (61—46).

PEANUTS

BLONDIE

BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

BOOKS

AROUND THE DAY IN EIGHTY WORLDS.

By Julio Cortázar. Translated from Spanish by Thomas Christensen. 304 pages. $20. North Point Press, 850 Talbot Avenue, Berkeley, Calif. 94706.

Reviewed by Paul West.

CORTAZARLAND comes into being thanks to its Argentine creator's two main gifts: He knows how to see things thoroughly and whole and, more important, how to extend them through imagination. For him, to invent is to report and to report is to invent, as in this account of Louis Armstrong's voice, from the current collection of short pieces: "From his mouth that had been writing pennants of gold now rises the lowing of a lovesick deer, the cry of an antelope toward the stars, the buzz of honeybees in sleepy plantations."

After reading "Around the Day" you have a fresher, more exact sense of things, from mucous membranes and tobacco to the bow wave a duck makes in the surface of a pond, from doctors' rubber mallets to Calcutta. And all these seem closer together than they used to be. Look, Cortázar says to all whom habit has blinded and blunted, all this is here for us, and his delight in the perceivable mix of phenomena never fades, extending to metaphor and simile. To read him with care is like warming up, tuning up, for some belated act of reverence to the createdness of things. Theological he never was, but his reverence for life's mystery links him to William Blake, Loren Eiseley and the French poet Francis Ponge. Keats too, whom in this book he celebrates for having the selflessness to become the sparrow pecking outside his window.

One gets the impression that in "Around the Day" Cortázar is not trying as hard as usual to invent amazing things. Nature, he finds, is full of the fantastic anyway, and so is human culture. So we advance through a rich jumble of — trumpets and trombones, shoes and cats, boxers and pianos, Mexican cobblers and Jack the Ripper, Gander and Helsinki, jaguars and crocodiles, books and fires, paper airplanes and raspberry syrup — waylaid also by such characteristic Cortázar entities as the man who feels he is sinking in soft cotton and the real Marcel Duchamp making an imaginary voyage to Buenos Aires. There are poems made up of complete-looking lines embodying uncompleted thoughts, and there are anecdotes about of his friends such as Esther Calvino (Italo's widow) and Carlos Fuentes. Also, strewn through the text, are drawings and photographs, designed to give the book the appearance and browsable nature of an almanac-collage.

Anyone dipping into these pages for the rationale of Cortázar's work will have a field day. Piece together such assertions as "extraordinary people make or show things never before imagined" and "we should never speak of our memory, for it is anything but ours" and "attention acts as lightning rod." Link them if you can to such phrases as "the sly deformation that the codified quotidian imposes on consciousness," and "the veil of the quotidian." He sounds like Shelley and Proust combined. The book also includes valuable commentaries on such of his books as "Rayuela" ("Hopscotch") and "Sixty-two: A Model Kit." The long, definitive essay on the Cuban novelist José Lezama Lima is itself worth the price of admission, and there are some intriguing thoughts on Thomas de Quincey and Salvador Dali. One essay, "On The Short Story and Its Environs," is profound required reading.

There are not 80 pieces here, but 62 (a number Cortázar was fond of, which come from two previous collections. "Around Eighty Worlds in a Day" might have done just as well; any revamping of that famous title is going to sound strained, and I do detect strain in his trying to make the book look jazzy or Surrealist, as if to distract you from how weak some of the included stories are compared to the magisterial essays and the short-short pieces.

No devotee of Cortázar (who died in February 1984) will be able to do without this book, translated with singular finesse and loving care by Thomas Christensen (though I blinked here and there, at such things as "Loco Solus" for Roussel's novel "Locus Solus," "Einfuhlung" for "Einfühlung" and "Julien Brenda" for "Julien Benda"). Some of the titles are bewitching ("I Could Dance This Chair, Said Isadora," "A Country Called Alechinsky," "Toward a Speleology of the Domicile") and much of the open-ended prose is startling, such as this:

"If people are astonished when they comprehend the significance of a light-year, the volume of a dwarf star, the content of a galaxy, what will they say about three brushstrokes of Masaccio that are perhaps the burning of Persepolis that is perhaps the fourth murder of Peter Kurten who is perhaps the road to Damascus which is perhaps the Lafayette Galeries which are perhaps the black cat of Hans Magnus Enzensberger who is perhaps an Avignon prostitute named Jeanne Blanc (1477-1514)?"

No one has gone so close as he did to the coy and the facetious without touching them while creating, time and again, moments of extraordinary sensuous felicity, almost as if he alone had recovered for us a lost human sense, the sixth and the 62d combined. He remains the poet of phenomenology, the muse of the contingent, who can make a soccer team called River Plate jolt the thinking of a physicist in Rome, and that jolt in its turn do something to a cherry in Nicaragua. There is an elegiac quality to this book, as if his words had really sunk home: "We look at each other with that faint tremor of farewell that possesses us whenever a concert is about to begin."

Paul West's latest novel is "Rat Man of Paris." His memoir, "Words for a Deaf Daughter," has just been reissued. He wrote this review for The Washington Post.

Solution to Previous Puzzle

A	C	T	A	■	L	A	K	E	R	■	P	A	R	T
G	I	R	D	■	A	N	I	L	E	■	A	L	O	E
O	T	I	S	A	N	D	W	I	L	L	I	A	M	S
N	E	P	■	H	A	R	I	■	■	A	S	S	E	T
■	■	■	P	E	T	E	■	H	A	H	A	■	■	■
R	A	C	E	M	E	■	H	O	M	O	N	Y	M	■
A	R	E	A	■	■	F	U	R	O	R	■	E	O	S
M	O	N	R	O	E	A	N	D	N	E	L	S	O	N
P	A	S	■	R	A	N	C	E	■	■	A	E	R	I
■	R	E	M	A	T	C	H	■	B	A	S	S	E	T
■	■	■	I	T	S	Y	■	M	A	R	T	■	■	■
A	N	E	L	E	■	■	E	A	R	N	■	M	A	E
J	O	N	E	S	A	N	D	I	R	E	L	A	N	D
A	M	I	R	■	R	E	I	N	E	■	O	L	I	D
R	E	D	S	■	M	O	T	E	L	■	W	I	L	Y

4/3/86

BRIDGE

By Alan Truscott

NORTH'S one no-trump opening on the diagramed deal was the weak variety, and his second-round cue-bid, showing both major suits, served to brush aside West's impertinent two-diamond bid, prompted by the vulnerability.

The opening spade lead was ducked to the king, and the diamond shift was won with dummy's ace. South led to the spade queen and crossed to dummy's heart king to throw a diamond on the spade ace. He then ruffed a spade and led a club to dummy's king. Another club gave West the lead in this position:

NORTH
♠ —
♥ 10 8 4
♦ 8 6
♣ —

WEST
♠ —
♥ Q
♦ K J 7
♣ A

EAST
♠ —
♥ 9 7
♦ 9
♣ 10 9

SOUTH
♠ —
♥ A J
♦ Q
♣ Q 5

The routine play for West was to cash the diamond king and continue the suit. But West knew that this would force South to play the heart ace and make his game. Instead, he led the club, forcing dummy to ruff. South now had an opportunity to take the heart finesse, but he stopped to ask himself why West had generously given him the opportunity. He drew the right conclusion, led to the heart ace and made his vulnerable game.

NORTH (D)
♠ A 8 6 4
♥ K 10 8 4
♦ A 8 6
♣ K 2

WEST
♠ 10 7 3 2
♥ Q 6
♦ K J 10 7
♣ A J 8

EAST
♠ K 9 5
♥ 9 7 3
♦ 9 5 2
♣ 10 9 7 6

SOUTH
♠ Q J
♥ A J 5 2
♦ Q 4 3
♣ Q 5 4 3

North and South were vulnerable.
The bidding:

North	East	South	West
1 N.T.	Pass	2 ♣	2 ♦
3 ♦	Pass	4 ♥	Pass
Pass	Pass		

West led the spade three.

World Stock Markets

Via Agence France-Presse April 2

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	576	594
ACF Holding	292.50	290.20
Aegon	107.40	107.50
Akzo	173.90	173.80
Ahold	84.80	83.70
Amev	79.30	79.90
A'Dam Rubber	12.30	11.10
Amro Bank	108.40	109
BVG	240	235
Buehrmann T	154	154.50
Caland Hldg	22.30	22.70
Elsevier-NDU	184.50	185
Fokker	83.40	83
Gist Brocades	287.50	282
Heineken	240	240.50
Hoogovens	100.40	102.30
KLM	54.10	54
Naarden	52.80	53.40
Nat Neder	79.40	79.30
Nedlloyd	181.80	182.50
NMB	212.50	214
Oce Vander G	451	452
Pakhoed	71.40	69.70
Philips	64.80	65
Robeco	92.70	92.80
Rodamco	141.40	141.40
Rolinco	84.40	84
Rorento	50.80	50.80
Royal Dutch	192.30	189.40
Unilever	421.30	427
Van Ommeren	30.60	30.80
VMF Stork	310.50	313.50
VNU	290	292.50

ANP.CBS Gen'l Index : 267.30
Previous : 267.20

Frankfurt (continued)

	Close	Prev
Hochtief	902	895
Hoechst	312	316
Hoesch	183.50	185.50
Horten	238	238
Hussel	506	504
IWKA	323	323
Kali + Salz	306	307
Karstadt	389.50	391
Kaufhof	465	466
Kloeckner H-D	321	315.50
Kloeckner Werke	95.80	96.50
Krupp Stahl	180	180
Linde	676	677
Lufthansa	279	280
MAN	221	222.50
Mannesmann	270.50	273
Muench Rueck	3850	3900
Nixdorf	630	635
PKI	830	834
Porsche	1245	1230
Preussag	240.20	243
PWA	227.70	228.80
RWE	240.20	240.80
Rheinmetall	327.70	[illegible]
Schering	607	605.50
SEL	317	312
Siemens	701	698
Thyssen	192.50	195.20
Veba	315	309.80
Volkswagenwerk	599	590.20
Wella	815	810

Commerzbank Index : 2187.14
Previous : 2185.90

Johannesburg (continued)

	Close	Prev
Nedbank	640	640
Rusplat	3475	3500
SA Brews	990	990
St Helena	3575	3600
Sasol	695	710
Welkom	2225	2135

Composite Stock Index : 1425.30
Previous : 1414.50

London

	Close	Prev
AA Corp	$13 1/8	$13 1/2
Allied-Lyons	306	301
Anglo Am Gold	$69 1/2	$66 1/2
Ass Brit Foods	354	350
Ass Dairies	150	158
Barclays	552	564
Bass	832	830
B.A.T.	405	402
Beecham	368	366
BICC	343	349
BL	49	47
Blue Circle	671	660
BOC Group	376	365
Boots	276	275
Bowater Indus	353	350
BP	556	558
Brit Telecom	278	268
Brit Aerospace	583	586
Britoil	178	171
BTR	482	480
Burmah	345	347
Cable Wireless	730	736
Cadbury Schw	179	179
Charter Cons	263	263
Commercial U	380	383
Cons Gold	484	484
Courtaulds	313	299

Hong Kong

	Close	Prev
Bk East Asia	18.30	18.60
Cheung Kong	19.20	19.50
China Light	15.30	15.30
Green Island	7.55	7.60

Brussels · Frankfurt · Johannesburg · Milan · Paris · Stockholm · Sydney · Tokyo · Zurich · Singapore · Toronto (Canadian stocks via AP, April 1) · Montreal (April 1)

SPORTS

NCAA Tournament Proves One Thing: There Are 'Winners,' and There Are Winners

UCLA's Wooden Rose From Ranks of Mere Genius to Wizard

By Scott Ostler
Los Angeles Times Service

LOS ANGELES — In the aftermath of the night the Final Four became the Big One, the sporting world is busy saluting a new college basketball coaching genius.

This is the way it should be. A guy has got to be a genius to put together a team, keep the players from jumping school or flunking class, dodge the NCAA snoops, keep the philanthropic alumni in check and survive the 500-team NCAA tournament draw, or whatever number it is up to these days.

But while we are at it, conferring honorary titles on the winning coach, this would be a good time to give a quick nod to the one man who long ago was promoted from the rank of genius to wizard.

After all, if it had not been for John Wooden, the Final Four tournament might still be a nice little sporting event with the charm of a county fair, not the colossal spectacle and media extravaganza it has become.

Fans love a dynasty. The Yankees, the Packers, the Celtics, Arnie Palmer. And Wooden gave the fans a dynasty that made J.R. Ewing's look like a shoe-shine stand.

Eleven Final Fours ago, Wooden walked away from it all. Walking off the court after his UCLA Bruins had beaten Denny Crum's Louisville team in overtime in the national semifinals in 1975, Wooden decided to quit. He walked into the locker room and told his players that the title game against Kentucky would be his last.

"We were all ecstatic about the overtime win," recalled Marques Johnson, a sophomore on that team who now plays for the Los Angeles Clippers of the National Basketball Association. "He kind of dropped the bomb on us. Everyone was saddened and shocked.

"I was disappointed, but I understood. I had breakfast with him the morning after we beat Kentucky. He told Richard Washington and me that he was tired of the high level of expectations, the monster he had created."

The monster's vital statistics were 10, 7 and 88. That is 10 NCAA titles, 7 in a row, and an 88-game winning streak along the way.

"I can remember going to UCLA and thinking I was going to win four national championships, that it would be automatic," Johnson said. "We lost in the finals my freshman year and I thought, 'Well, at least I'll get three.'

"It didn't dawn on me until my senior year the enormity of what he had accomplished, and how it wasn't as easy to win as he'd made it seem."

Wooden did make it look easy. He did not believe in weightlifting, fighting, scouting, screaming, stalling, hotdogging or sending a team into action with its shoes improperly laced.

Each new season, Wooden's first practice session with his team would be devoted to instruction on the proper way to put on socks, with any wrinkles smoothed out to prevent blisters, and to tie shoes, over the top of the eyehole for a tighter lace.

At practices and in games, no UCLA player was allowed to let his jersey come untucked from his shorts, or to let his socks sag around his ankles.

"But it's funny," Johnson said. "We didn't have a dress code on the road. We had Bill Walton and Greg Lee, who liked jeans and casual clothes, so we'd look like bums coming to the game. But we'd all look neat while we were playing."

Wooden never scouted an opponent and never prepared his players to meet a specific team or individual. He did not use the word win. He was a coach, not a scorekeeper. His job was to condition, teach and motivate.

His players would develop a quiet sense of superiority that opponents found intimidating and sometimes galling.

His players played their own individual styles, but in Wooden's system. If a teammate fed you for a basket, you always acknowledged the teammate, immediately.

"But what if he doesn't see me acknowledge him?" a player asked Wooden.

"I'll see you," Wooden said.

Corny? He was, and still is. Each season, not long after the shoelace seminar, the Bruins were given an extended lecture on their coach's pyramid of success, which looks like something out of a 1920s Boy Scout handbook.

Wooden is so corny that he got choked up when, after the Bruins had won the NCAA championship in 1970, President Richard Nixon phoned to congratulate their coach.

Wooden would tell his players before a game that the final score didn't matter, only whether or not they gave 100 percent effort. Did the players buy that cornball line?

"I loved it," Johnson said. "I was 17, 18 years old. The older players, after they had heard it for a while ... You know, I think they bought it, too, yeah."

Wooden was a wizard but never a god. He never reached the deity status of guys like Adolph Rupp or Dean Smith or even Bob Knight. That was not his style and it was not the city's style.

Basketball was a game in Los Angeles, not a religion. Gods you worship. Wizards? You just sit back and enjoy their wizardry.

Wooden was not a showman; still is not. He did not wear funny clothes or wave funny props — all right, he did carry a rolled-up program — or throw chairs or tantrums.

"I wanted people to come and see my team play," he has said. "I wanted my team to provide the entertainment."

And his team did, for 27 blister-free seasons.

Duke's Mark Alarie

A college is an educational institution, not a sports franchise.

AP/1968

UCLA's John Wooden

What Duke Lost on Basketball Court It More Than Won in Class

By Dave Anderson
New York Times Service

DALLAS — During timeouts in the NCAA basketball tournament, a bad odor from nearby Austin drifted through this showcase of college sports. Loans and free legal counsel for as many as 33 University of Texas football players, arrested for driving while intoxicated or cited for traffic violations, reportedly had been supplied through an assistant athletic director who once had been the Longhorns' recruiting coordinator.

But this aroma put the tournament in perspective. Louisville won the championship, 72-69, but Duke won the admiration of anyone who understands that a college is an educational institution, not just another sports franchise. Duke's players did not score the most points Monday night, but they did score the points in Sunday's oral exam, the annual news conference.

This bouquet for Duke should not be construed as a slap at Louisville's appreciation of academics.

When Denny Crum was asked if college basketball schedules soon will be extended to 40 games and beyond, the coach whose team completed a 32-7 record for his second national title spoke like an educator.

"I think we've got to address the problem of academics in college sports before we talk about more games," Crum said. "I think we're at our max now."

But as memorable as the title game always is, this Final Four weekend also will be remembered for a more important reason: Duke's proof that a college can produce a quality basketball team with quality student-athletes. At their Sunday news conference, the five Blue Devil starters were the epitome of what college basketball players should be. Mature but humorous, clever but disciplined. In their quiet, pleasant manner, they realized who and what they were.

"I think we've set new standards as far as academics and basketball are concerned," Johnny Dawkins said. "This team shows that they can go hand in hand."

Through the years, the Final Four has often reflected the academic atmosphere surrounding the team, if not the players' development as college students. Moments after Georgetown won the 1984 title, two players were virtually incoherent in a network television interview. Several players from Kentucky's 1978 championship team sat stiffly behind a long table on an elevated stage at that news conference, without a smile, without any apparent sense of enjoying what they had accomplished. Some teams wisely put on display only those players deemed capable of handling questions, no matter how gentle and trite the questions usually are.

But when Duke's coach, Mike Krzyzewski, appeared Sunday, he had all five of his starters with him: Dawkins, Tommy Amaker, Mark Alarie, Jay Bilas, and David Henderson.

Quickly, it was apparent that these five were not representing Renegade State, where slam-dunking is considered a major. When each was asked to identify his major, Dawkins and Bilas replied, "political science," the other three "economics." When each was asked to disclose his academic average, Henderson politely declined, as did all except Bilas.

"My grade-point average," he said with a smile, "is the same as my points per game."

When each of the five players was asked to describe what he enjoyed about the college in Durham, North Carolina, in addition to having played basketball there, none hesitated in his evaluation.

"I think it has the foremost combination of academics and athletics in the country," said Alarie, the 6-7 forward from Scottsdale, Arizona. "More than I ever imagined."

"The education within an education," said Henderson, the 6-5 forward from Drewry, North Carolina. "You can chat with people from all parts of the world."

"You can sit down with people from Spain and France, and California," Dawkins said. "No matter where I go, I'll know somebody from Duke."

"The athletes don't live in one dorm, they're mixed in with everybody else," said Amaker, the 6-foot junior guard from Falls Church, Virginia. "Duke was different than other schools that put the athletes in athletic dorms."

"The social atmosphere is unique," said Bilas, the 6-8 center from Rolling Hills, California. "The students know how to study, but they know how to let loose and have fun."

And when the five were asked if they could pronounce their coach's name, four correctly replied, "Shuh-SHEV-ski." Then Alarie said, "Coach K." At the other end of the table, Coach K laughed.

"That's an 80 percent improvement over their freshman year," the coach said.

Coach K's smooth style has rubbed off on his players. Once the basketball captain at Army, he firmly but gently maintains his authority. And when his team lost Monday night, he had no excuses.

After a 21-game winning streak, Duke had finished at 37-3, setting a record for the most victories in a season, but Alarie was not consoled.

"I almost wish we had lost in the first round," he said, "rather than go to the final and lose."

Almost. But now Dawkins, already coveted by the Boston Celtics, as well as Alarie and Henderson will be chosen in the National Basketball Association draft. Bilas is not expected to be an early choice, but his sense of humor maintained Duke's sense of perspective.

"I'd give my right arm to play in the NBA," he said, "but there isn't much call for one-armed players."

SCOREBOARD

Basketball

National Basketball Association Standings

EASTERN CONFERENCE
Atlantic Division

	W	L	Pct.	GB
x-Boston	62	13	.827	—
x-Philadelphia	49	27	.645	13½
x-New Jersey	37	40	.481	26
x-Washington	35	41	.461	27½
New York	22	54	.289	40½
Central Division				
y-Milwaukee	53	23	.697	—
x-Atlanta	47	30	.610	6½
x-Detroit	42	33	.560	10
Cleveland	28	47	.373	24½
Chicago	26	50	.342	27
Indiana	25	51	.329	28
WESTERN CONFERENCE				
Midwest Division				
x-Houston	47	29	.618	—
x-Denver	44	32	.579	3
x-Dallas	41	34	.547	5½
x-Utah	39	38	.506	8½
Sacramento	34	42	.447	13
San Antonio	32	45	[illegible]	15
Pacific Division				
z-L.A. Lakers	58	18	.763	—
x-Portland	37	39	.487	21
Phoenix	29	46	.387	28
L.A. Clippers	29	47	.382	29
Seattle	27	48	[illegible]	29½
Golden State	28	49	.364	30½

(x-clinched playoff berth)
(y-clinched division title and playoff berth)
(z-clinched conference title)

TUESDAY'S RESULTS

Boston 27 23 32 38—123
Cleveland 28 29 18 28—105
D.Johnson 7-21 7-8 22, McHale 4-13 11-11 19; Free 10-18 4-5 26, Turpin 7-11 2-2 16. Rebounds: Boston 60 (Walton 11); Cleveland 51 (West, Paquette 8). Assists: Boston 26 (D.Johnson 7); Cleveland 23 (Bagley 11).
Indiana 29 26 25 29—109
Detroit 28 30 26 28—116
Tripucka 13-24 7-8 31, Laimbeer 13-22 2-2 28; Williams 16-20 4-6 34, Anderson 7-12 5-5 19. Rebounds: Indiana 51 (Williams 14); Detroit [illegible]

[illegible]

NBA Leaders

[illegible]

Golf

PGA Leaders

[illegible]

Exhibition Baseball

TUESDAY'S RESULTS

[illegible]

Hockey

NHL Standings

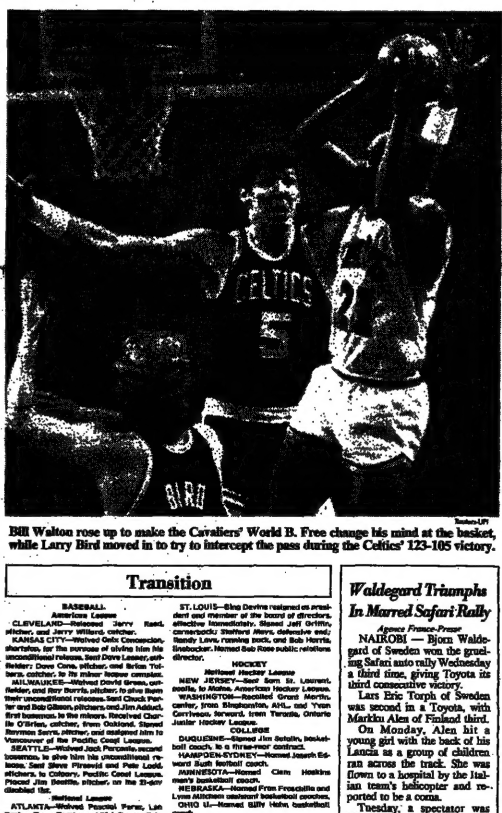
[illegible]

NHL Leaders

[illegible]

Soccer

[illegible]



Reuters-UPI

Bill Walton rose up to make the Cavaliers' World B. Free change his mind at the basket, while Larry Bird moved in to try to intercept the pass during the Celtics' 123-105 victory.

Celtics Win 12th in Row On the Road to Success

Los Angeles Times Service

LOS ANGELES — All the talk is about the Boston Celtics' sensational record at home, where they will be shooting for an National Basketball Association-record 28th in a row Wednesday night against the Detroit Pistons.

It should not be forgotten that the Celtics also are the best road team in the league. With Dennis Johnson and Robert Parish leading a third-quarter rally, the Celtics routed Cleveland, 123-105, Tuesday night in Richfield, Ohio. It was the 12th victory in a row for the high-flying Celtics and gave them a 26-12 record away from home.

The Celtics have a 62-13 record and by winning their last seven games they could tie the best record in NBA history. The Los Angeles Lakers finished the 1971-72 season at 69-13 mark.

And, if they win the last seven, the Celtics will become the first team to go through a season without losing more than one game to any team.

The Cavaliers, who moved closer to a playoff spot despite the loss, trailed by only 61-59 at halftime. But Johnson and McHale each scored eight points in the third quarter, when the Celtics outscored the Cavaliers, 32-18, and turned a contest into another easy victory.

While Johnson and McHale were getting hot, World B. Free of

NBA FOCUS

the Cavaliers, was cooling off. He scored 24 points in the first half but only four in the second.

Because both of their challengers for the final playoff berth in the East, Chicago and Indiana, lost, the Cavaliers remained in the strongest position. They have only seven games left and lead the Bulls by 2½ games and the Pacers by 3½.

The Celtics won this one without needing much from their star, Larry Bird. He played 32 minutes, seven below his average, and took only 12 shots, scoring 16 points.

The Celtics are so good, they have surprised even Red Auerbach, the president of the club who has been so prominent throughout their success over the years.

"I never thought they would have this kind of record," Auerbach said. "Everyone else in the league is stronger, and anyone can beat you.

"This is one of the few teams I would pay to watch. When they're playing good, it's heaven to watch."

■ Mike Gminski and Otis Birdsong each scored 22 points in New York as the New Jersey Nets beat the injury-riddled Knicks, 111-93, and in the process finally eliminated from the playoffs the team with the league's worst record, 22-54.

Transition

[illegible]

SOUTHWEST TEXAS STATE—Named Harry Larrabee basketball coach.

Waldegard Triumphs In Marred Safari Rally

Agence France-Presse

NAIROBI — Bjorn Waldegard of Sweden won the grueling Safari auto rally Wednesday a third time, giving Toyota its third consecutive victory.

Lars Eric Torph of Sweden was second in a Toyota, with Markku Alen of Finland third.

On Monday, Alen hit a young girl with the back of his Lancia as a group of children ran across the track. She was flown to a hospital by the Italian team's helicopter and reported to be a coma.

Tuesday, a spectator was killed when the Golf GTI of Sweden's Kenneth Eriksson left the road after its steering failed.

Whalers Help All but Sabres

United Press International

HARTFORD, Connecticut — The Hartford Whalers clinched two National Hockey League playoff berths Tuesday night — for other teams — while themselves moving closer to gaining the playoffs for the first time since 1980.

Following their 5-3 victory over the Buffalo Sabres, the Whalers needed only to win one of their last three games to gain the Stanley Cup playoffs, where they have not been seen since the 1979-80 season, their first in the NHL.

The Sabres, with a third straight loss, were in jeopardy of missing the playoffs for the first time since the 1973-74 season. Their defeat also ensured that the idle Montreal

NHL FOCUS

Canadiens and Boston Bruins will be in the playoffs.

Montreal and Boston each have 83 points in the Adams Division. Hartford has 80 to Buffalo's 78 in the race for the division's final cup berth, and has games left against Washington, Toronto and Boston while Buffalo has only a home-and-home series with Montreal.

The Whalers stretched their unbeaten streak to eight games as Kevin Dineen scored two goals and defenseman Ulf Samuelsson got the game-winner early in the third period. Goalie Mike Liut stopped 22 shots in raising his record over the last 14 games to 9-2-2.

Rod Carew's Silent, Painful Spring

Former Superstar Wants to Play, but Phone Never Rings

The Associated Press

PALM SPRINGS, California — Rod Carew will, undoubtedly, be introduced with great ceremony into baseball's Hall of Fame in a few years.

But now, although he is not ready to hang up his spikes just yet, he apparently is being ushered quietly off the playing field.

"I hate to go out this way," Carew said Monday. "If I'd known last year that it was going to be this way, I probably would have gone ahead and retired" at the end of the season.

"If I didn't think I could play, if I thought I didn't still have it, I wouldn't want to play.

"I guess I expected it. I'm 40 years old and it seems like everyone's going with youth."

Carew, a seven-time American League batting champion, was the California Angels' leading hitter for five of the past six seasons, with a club-high .280 last year.

He said then that he wanted to play the 1986 season, then retire.

The Angels, however, decided during the winter that they would give Carew's first base job to rookie Wally Joyner, and did not offer the veteran a new contract.

Joyner has been a sensation during the exhibition season, hitting well above .400.

"I'm not bitter, but I am disappointed," said Carew. "I think I could help a club. I know I can still hit, and could be a role player for a team."

So far, only the Minnesota Twins have shown any interest in Carew. But they apparently decided against signing the man who starred for them for 12 seasons.

Carew made $900,000 last year and his high salary might have scared off potential employers.

The Angels' manager, Gene Mauch, has said that Carew was not offered a new contract because the club did not want to insult him by offering a much lower salary, usually about $250,000, to be a reserve player.

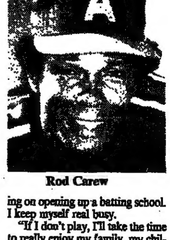
Carew, noting he is already financially secure, said, "I don't understand. No one has even taken the opportunity to call and say, 'Can we work something out?'"

His brother-in-law and agent, Jerry Simon, said from his office in St. Paul, Minnesota: "I can't believe that it's a matter of money. It's weird to me that nobody's interested in him.

"All we're looking for is a contract that would make both sides happy."

Carew, with a career batting average of .328 and 15 seasons above .300 in 19 years, said he figures he could be back in hitting form within a week or so. But, if he does not get a call from a team this season, he said, he still will get along just fine.

"I'll be content," he said. "I'm writing a book on hitting and working on opening up a batting school. I keep myself real busy.



Rod Carew

"If I don't play, I'll take the time to really enjoy my family, my children." He is the father of three girls and now — since he has the time — a coach for their softball teams.

Carew, sounding disappointed, said that he has not heard from many of his former teammates, except for Reggie Jackson.

"He's the only one that's kept close contact," Carew said of the Angels' slugger. "It gives me a good feeling that he's concerned."

ART BUCHWALD

Malpracticing on Laywers

WASHINGTON — It had to happen sooner or later. Lawyer Dobbins was wheeled into the emergency room on a stretcher, rolling his head in agony. Doctor Green came over to see him.

"Dobbins," he said. "What an honor. The last time I saw you was in court when you accused me of malpractice."

"Doc, Doc. My side is on fire. The pain is right here. What could it be?"

Buchwald

"How would I know? You told the jury I wasn't fit to be a doctor."

"I was only kidding, Doc. When you represent a client you don't know what you're saying. Could I be passing a kidney stone?"

"Your diagnosis is as good as mine."

"What are you talking about?"

"When you questioned me on the stand you indicated you knew everything there was to know about the practice of medicine."

"Doc, I'm climbing the wall. Give me something."

"Let's say I give you something for a kidney stone and it turns out to be a gallstone. Who is going to pay for my court costs?"

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"I'll sign a paper that I won't sue."

"Can I read to you from the transcript of the trial? Lawyer Dobbins: Why were you so sure my client had tennis elbow? Dr. Green: I've treated hundreds of people with tennis elbow, and I know it when I see it. Dobbins: It never occurred to you my client could have an Excedrin headache? Green: No, sir. There were no signs of an Excedrin headache. Dobbins: You and your ilk make me sick."

"Why are you reading that to me?"

"Because, Dobbins, since the trial I've lost confidence in making a diagnosis. A lady came in the other day limping —"

"Please, Doc, I don't want to hear it now. Give me some Demerol."

"You said during the suit that I dispensed drugs like a drunken sailor. I've changed my ways, Dobbins. I don't prescribe drugs anymore."

"Then get me another doctor."

"There are no other doctors on duty. The reason I'm here is that after the malpractice suit the sheriff seized everything in my office. This is the only place I can practice."

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"If you give me something to relieve the pain I'll personally appeal your case to a higher court."

"You know, Dobbins, I was sure you would someday be wheeled in on a stretcher."

"How did you know that?"

"At the trial I made a mental note that you were a prime candidate for a kidney stone."

"You can't tell a man is a candidate for a kidney stone by just looking at him."

"That's what you think, Dobbins. You had so much acid in you when you addressed the jury I knew some of it eventually had to crystallize into stones. Remember on the third day when you called me the 'Butcher of Operating Room 6'? That afternoon I said to my wife, 'That man is going to be in a lot of pain.'"

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"Okay, Doc, you've had your ounce of flesh. Can I now have my ounce of Demerol?"

"I better check you out first."

"Don't check me out, just give the dope."

"But in court the first question you asked me was if I had examined the patient completely. It would be negligent of me if I didn't do it now. Do you mind getting on the scale?"

"What for?"

"To find out your height. I have to be prepared in case I get sued again and the lawyer asks me if I knew how tall you were."

"I'm not going to sue you."

"You say that now. But how can I be sure you won't file a writ after you pass the kidney stone?"

Shakespeare Congress Opens

The Associated Press

BERLIN — A four-day World Shakespeare Congress opened Wednesday in West Berlin with 700 scholars present to discuss the dramatist's life and works. The congress, held every five years, was organized by Berlin University's English and American literature department.

A Writer Steeped in Eskimo Values

By Herbert Mitgang

New York Times Service

NEW YORK — One winter afternoon, in a village in the Northwest Territories, Barry Lopez was speaking to a 70-year-old Eskimo who was trilingual — in addition to his native Inuktitut, he also knew French and English. Aware that Lopez had come there as a writer, the Eskimo asked him in English how long he planned to stay. Then he smiled, and, illustrating his point by counting on his fingers, the Eskimo politely answered for him: "One day — newspaper story. Two days — magazine story. Five days — book."

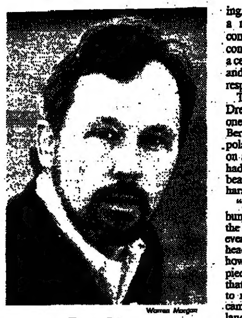
"The point he made was not lost on either of us," Lopez said. "Over the years, the Eskimo had seen journalists and photographers drop into his village for a few days, pick up a little local color, and then leave with what they thought was an understanding of the way of life up there. It took me more than one visit — I've been to the arctic about 12 times — to begin to understand the rhythm of their lives and the nature of the hunt, to respect and be respected as an individual by the Eskimos."

In the last seven years, Lopez, 41, has spent long stretches of time among the Eskimos, traveling with wildlife biologists, archaeologists, petroleum geologists, landscape painters and Eskimo hunters. His book, "Arctic Dreams: Imagination and Desire in a Northern Landscape," published by Scribner's, is the work of a seeking observer, who in "Of Wolves and Men" proved the originality of his thinking about man, nature and the animal world.

"Arctic Dreams," Lopez said, attempts to explore such questions as: "The influence of the arctic landscape on the human imagination. How a desire to put a landscape to use shapes our evaluation of it. Confronted by an unknown landscape, what happens to our sense of wealth? Is the arctic a place to have red-blooded adventures and to make a fortune? Or is it a place where there is a good family life, where people become imbued with an intimate knowledge of their homeland, and live at moral peace with the universe?"

He found that few outsiders had much knowledge of the Eskimo language beyond the conversational — and that it was "nonsense" to consider our culture sophisticated and theirs naive.

"Once," he recalled, "after a walrus hunt on St. Lawrence Island, I was sitting in the house of a young Eskimo and we were talking ordinary Field and Stream stuff — about bullets, machine parts, animals, food. Then our conversation drifted off into more abstract ideas. Suddenly, he asked me if I was familiar with Abraham Maslow — and he began to explain his theories of self-actualization. I realized that here was a man who had read the intellectuals of my culture in English. In order to help me to understand his culture, he was applying someone from my culture to talk about how people found themselves in hunting and community."



Warren Morgan

Barry Lopez

This notion of community emerged again and again, he said, in his sojourns with Eskimos.

"*Isumataq* — that's the Eskimo word signifying a sense of community," Lopez said. "It means a person who creates an atmosphere in which wisdom reveals itself. What we would call graciousness and individual regard. The Eskimos do not think that one person has all the wisdom. There is not an apex with one guy sitting at the top and telling the others what to do.

"I remember being out on a hunt in bad weather when the ice opened up and it became dangerous. The Eskimos came together from different places and shared each other's information about how to handle the crisis. One remembered what his father had told him when caught in a similar situation, another what had happened in a different location under similar conditions. Only after they'd pooled their knowledge did they proceed. If your life is at stake, then you act together. You have an intense feeling of regard for other people, the land and family."

Lopez does not carry a rifle and does not hunt when he accompanies the Eskimos. He does pitch in with the physical chores of the hunting group. "I do not do the killing," he said. "It would be presumptuous of me because I have no long-term relationship with the walrus, seals and caribou."

To the Eskimos, he said, "the act of hunting, of taking an animal's life, is the center of a religious experience. When the animal comes toward the man, they believe, and you come to understand, the man must behave in a certain way. The animal decides to feed you and your family and you owe that animal respect."

There are no photographs in "Arctic Dreams." Lopez has taken no pictures since one day in 1981 in the seas north of the Bering Straits, when he ran into a young male polar bear. "My natural reaction was to put on a telephoto lens and shoot. After I did, I had misgivings. I had the advantage over the bear. Pushing against his space was an act of harassment.

"I got back to the ship and lay down on my bunk and realized that I had entirely missed the bear. Then I forced myself to remember every move the bear had made, whether his head turned left or right, how far he swam, how long he hesitated before he got up on a piece of ice. I decided that photographing that polar bear was a sort of pinup approach to nature. I decided never again to let the camera come between me, the animal and the landscape."

Lopez reserved note-taking for the end of the hunting day, alone.

"The Eskimos want what you say about them to be accurate," he said. "Even more, they want to have a discussion with mutual regard. They really don't like it when they are out hunting and a white man is writing things down on paper. Some of the Eskimos don't expect you to know anything about their ways. If they understand that you have a genuine interest about what they're doing, what they're trying to say, it doesn't matter whether you, or they, are educated. Sometimes I have left my notebook open in their houses and walked away to show that I had nothing to hide."

Lopez was born in New York City and studied at Loyola, a Jesuit prep school, and Notre Dame.

"At the university I learned two things — anthropology and natural history — that served as the underpinning for my writing," he said. Today, he lives with his wife, Sandra, in a rural logger's house in the woods on the edge of a river in Oregon.

Coming to New York when a new book is published — especially after spending time in the arctic — can be a strange experience.

"The Eskimo has compassion for the white person in his environment," Lopez said. "They think of us as people in great pain because of the way we have managed to become lonely. They are very sophisticated in their subtle perceptions of other human beings. They reinforced my own perceptions: We cannot mistake cleverness for eloquence, encyclopedic knowledge for intelligence, divisions between the primitive and the wise in human behavior."

PEOPLE

Nureyev-Baryshnikov Duet

Rudolf Nureyev, 48, dance director of the Paris Opéra Ballet, and **Mikhail Baryshnikov**, 38, artistic director of American Ballet Theater, shared a podium at the Metropolitan Opera House in New York to confirm that they — and their companies — would perform together at a special gala at the Met on July 8. The last time they performed together was a **Paul Taylor** ballet in 1981. "After all," said Nureyev, "we are pupils of the same teacher" — in Leningrad, where both studied before joining the Kirov Ballet and, eventually, defecting to the West. The gala, which marks the Paris Opéra's first New York appearance in almost 40 years, will also feature members of the ABT in "Push Comes to Shove" — to which its choreographer, **Twyla Tharp**, will add "a special fillip" — and an adaptation of **Gene Kelly**'s choreography for the ballet sequence in the 1951 film "An American in Paris." Kelly and his co-star, **Leslie Caron**, have been invited to introduce the ballet.

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William Murphy, 28, unemployed, said he debated about two hours whether to seek out the owner of a lottery ticket worth 7.6 million Canadian dollars (about $5.5 million) that he found on a Montreal street. When he did, the owner gave him a reward of 1.2 million Canadian dollars. Murphy said he is heading back to his hometown, Vancouver, British Colombia, with the reward given him by **Jean-Guy Lavigueur**. Lavigueur, 51, also unemployed, said he bought several lottery tickets with his three children and a brother-in-law. The tickets were in a wallet Murphy found on a Montreal street on Sunday. Murphy, who has been on welfare, said he mailed the wallet to the owner, but kept the tickets. "About four hours later I was sitting down having a coffee, I'd bought a newspaper and was checking the tickets, and that's when I realized it was worth $7 million." He said he had only 56 cents and thought for about two hours "of keeping all the money to myself," but then decided he could not do it.

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Steven Brill, a New Yorker who teaches city dwellers how to forage for wild edibles in Central Park, was arrested by undercover officers who paid $40 to go along on his tour. Brill, 37, self-dubbed the "Wildman," was arrested "for eating our parks," said Parks Commissioner **Henry Stern**. "Steve Brill charges people $20 to take them around and have them cut our plants and flowers. It's not allowed. We asked him to stop, but he wouldn't stop." "It's bullying," said Brill. "Stern should know that the more dandelions you pick, the more grow back. I'll keep taking my classes to the parks." Brill has been taking groups on park nature walks for more than five years, filling their bags with wild black cherries, blueberries, water mint, mustard, sorrel, rhubarb, bay leaves and even coffee beans. Brill, who is to appear in court April 18 on charges of criminal mischief, was issued a $20 summons two years ago for violating park rules when he was caught showing some Girl Scouts how to make a Central Park salad. That case was dismissed. Park officials argue that the tidbits growing in the city's 26,000 acres (10,500 hectares) of parkland belong to the wildlife living there and foragers could hurt the fragile environment. "We're not out to feed the population," **Bill Dalton**, director of the city Parks Enforcement Patrol, said last year. "Can you imagine what would happen if all New Yorkers descended on Central Park wanting to make a wild dandelion salad? It'd be stripped bare in a week."

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A set of fingerprints taken from Irish leader **Eamon de Valera** when he was fighting the British were presented to a museum Tuesday. De Valera, who died in Dublin at age 91 in 1973, was three times prime minister and twice president of the Irish Republic. He was fingerprinted in Dartmoor Prison in England when a death sentence for his part in Dublin's Easter Rising in 1916 was commuted to life imprisonment. He was released in 1917 under an amnesty. The fingerprints were discovered in the Dublin police technical bureau by Superintendent **Billy Byrne**, a 30-year veteran of the bureau. To mark the 70th anniversary of the rising, the fingerprints and documents were given by Byrne to the De Valera Museum in Ennis, County Clare, the constituency represented by the statesman in the Dail, the Irish parliament.

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